



Comprehensive Annual Financial Report

Fiscal Years Ended

June 30, 2014 and 2013

Cuyahoga Community College

Cleveland, Ohio

Prepared by

Administration and Finance Division



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Cuyahoga Community College, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period July 1, 2013 through June 30, 2014. 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

December 16, 2014

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Introductory Section



November 20, 2014

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” or “Tri-C”) for the fiscal years ended June 30, 2014 and 2013.

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.

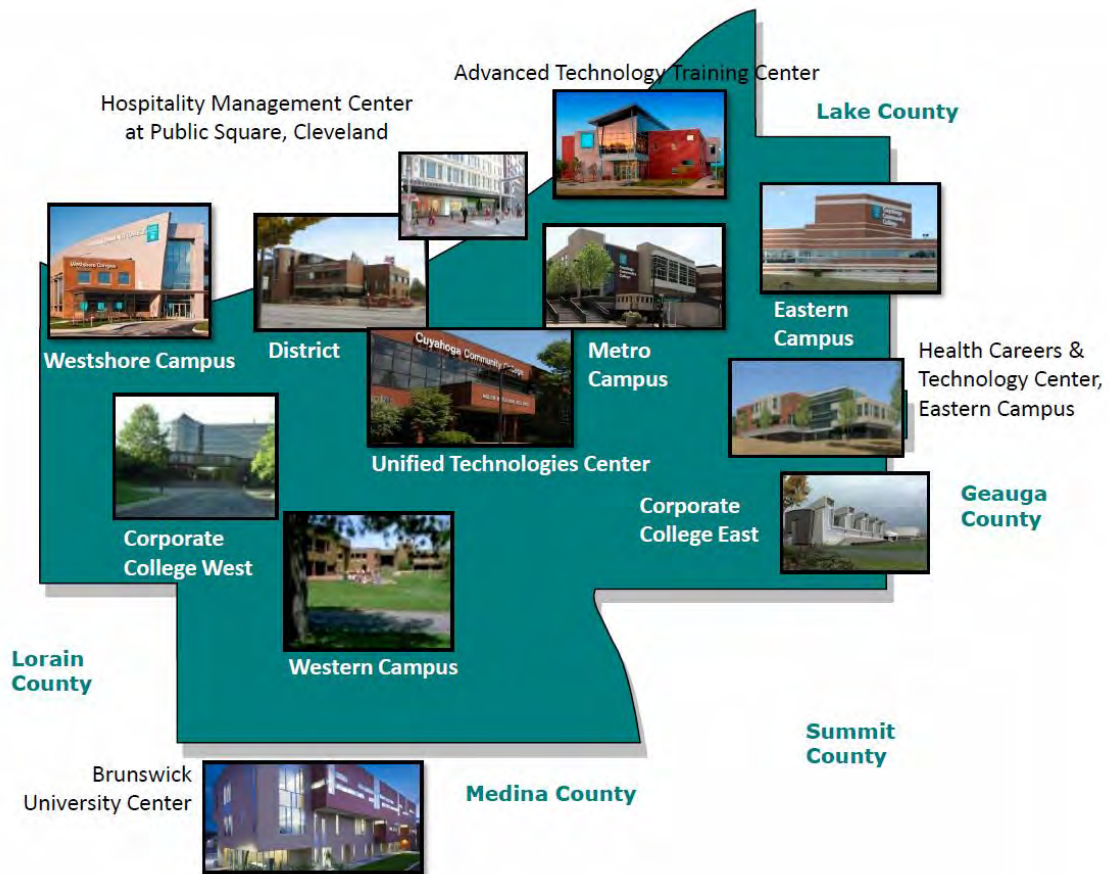
We acknowledge that management is responsible for the content of this report and establishing and maintaining internal controls, which ensure that assets are protected from loss, theft, or misuse, and ensure that adequate accounting data are compiled to allow for the preparation of financial statements 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
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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, and amended by GASB Statement Nos. 39 and 61, the financial reporting entity consists of “a primary or special purpose stand-alone government, organization(s) for which the government is financially accountable, and other organizations for which the nature and significance of their relationship with the government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.” The College is a related organization because the Cuyahoga County Executive, subject to confirmation of the Cuyahoga County Council, appoints a majority of 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

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 60,000 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 Advanced Technology Training Center (ATTC), the District Office downtown, the Hospitality Management Center at Public Square, the Brunswick University Center, the Jerry Sue Thornton Center, as well as 50+ off-campus sites, and through distance learning (online) options. College-wide operations include over three million square feet of building space and over 537 acres of grounds. Over the last 50 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 Northeast Ohio residents top quality education and flexible learning options at the lowest tuition in the geographical area, and the second lowest tuition in the entire state of Ohio. The College also supports the Northeast Ohio economy by generating spending of about \$500 million annually and by sustaining more than 25,000 jobs.

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.

The Community



Cuyahoga Community College is located in a nine-county area known as Northeast Ohio, which has a population of 3.1 million and is headquarters to ten Fortune 500 firms. 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, University Hospitals Health System, and the Global Center for Health Innovation, which opened in Cleveland, October 2013.

As a regional center for the performing and visual arts, Northeast Ohio is home to some of the most famous and prestigious art and historical institutions in the world including the Cleveland Orchestra, the Cleveland Museum of Art, the Museum of Contemporary Art (MOCA), the Rock and Roll Hall of Fame and Museum, the Great Lakes Science Museum, and Playhouse Square which is the second largest performing arts complex in the country based on audience capacity.

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 12 percent of county residents lack a high school diploma and only 64.3 percent of students in the Cleveland Metropolitan School District graduated from high school in the 2013-2014 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 7.6 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; many of which are affiliated with medical schools such as 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 2nd in the nation for the number of associate degrees awarded in health careers and related professions. In Ohio, the College ranks 1st in the nation in conferring associate degrees in all disciplines.

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 2014, the College offered 84 two-year technical programs leading to an associate degree. Of these programs, 60 lead to an Associate of Applied Science degree and 24 lead to an Associate of Applied Business degree. The College also offers 73 certificate programs. Short-term professional certificates are offered in 23 program areas and 41 program areas have one-year certificates of proficiency programs. The College also offers 9 post-degree professional certificate programs and a variety of non-credit courses, support services and special programs designed to

Cuyahoga Community College Degree Requirements *				
Degree	1000 Level Semester Credits	2000 Level Semester Credits	Minimum GPA	Minimum Tri-C Credits
AA&AS	60	12	2.00	20
AAB	60	12	2.00	20
AAS	60	12	2.00	20
ATS	60		2.00	20

meet the needs of a diverse student body and the community at large. The College also has over 50 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.

* Effective Fall 2013 - Summer 2014

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 2014, 30.4 percent of the College's annual revenue came from two tax levies. Also, 79.0 percent of the College's fiscal year 2014 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 2014 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 mills, and was expected to generate an additional \$14.0 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 8.0 percent and the estimated collectability rate from 96.0 percent to 95.0 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.

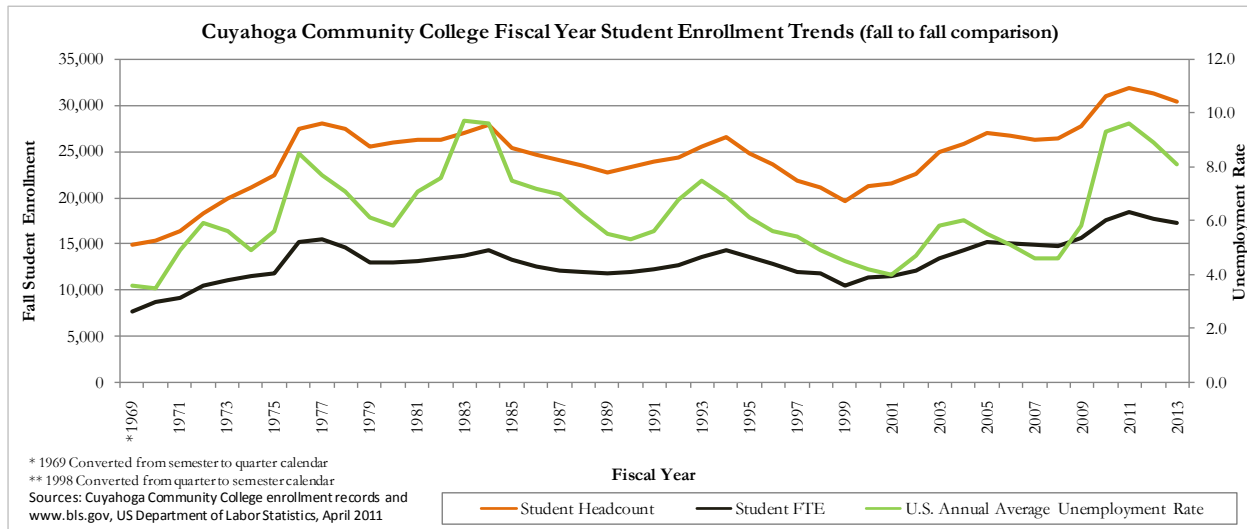
Like most areas of the United States, Cuyahoga County experienced significant increases in unemployment in recent years, followed by a slow rebound of the job market. The County unemployment rate increased from 7.1 percent in December 2008 to 9.0 percent in December 2010. As of June 2014, the unemployment rate in Cuyahoga County had declined to 7.9 percent which ranked 83rd out of all Ohio counties. In addition, Cuyahoga County continues to experience significant reductions in population, from 1,330,428 in 2005 to 1,263,154 in 2013.

The State of Ohio as a whole is experiencing similar issues to Cuyahoga County. Ohio's June 2014 unemployment rate was 5.9 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 industries - fabricated metal products and machinery. Cuyahoga County home foreclosure rate continues to decline since its peak in 2007. However, Cuyahoga County is ranked second in foreclosure rates compared to all other Ohio counties.

The State enacted funding changes for community colleges during the 2014-2015 biennium budget. In the past, enrollment accounted for 78.0 percent of State subsidy revenues, followed by historical set asides and completion of success points. For fiscal year 2014, the State's share of instruction (SSI) provided to the College was based on 50.0 percent on enrollment, 25.0 percent on success points, and 25.0 percent on course completion. For fiscal year 2015, the SSI will complete the shift from a focus on getting students into classes to funding based on performance objectives with an emphasis on completion. The College has aligned strategic goals to mirror the State's push for completion as well. Changes to the SSI funding model, and improvements in the overall Ohio economy, have had positive impact on fiscal year 2014 appropriations. For fiscal year 2015, State support is projected to increase 4.5 percent compared to fiscal year 2014. The total College SSI funding for fiscal year 2015 is projected to be \$62.2 million.

As in the past, the College's enrollment has shown a direct correlation to the unemployment rate, with spring 2014 enrollments declining 10.5 percent from spring 2013. 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 stay flat or continue to decline in the near future, as the economy slowly recovers.



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 Planning, Budget, & Strategic 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

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

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

During fiscal year 2013, the College completed a comprehensive, College-wide strategic planning process that has resulted in a new, long-range strategic plan. A cross-functional team progressed through a rigorous research and planning process that involved gathering information and input from a comprehensive group of internal and external stakeholders to determine the strategic goals of the College. Additionally, the team relied on the College's Academic Quality Improvement Program (AQIP) Systems Portfolio and the accompanying Systems Appraisal Feedback Report, the new higher education funding strategy, and an analysis of current issues facing community colleges on a state and national level. The new Strategic Plan will begin in 2013 and extends through 2016.

Three strategic areas have been identified including:

- ✿ Access and Engagement: We will increase our engagement of students, employers, partners and other stakeholders in order to enroll, motivate, and assist students in achieving their goals.
- ✿ Quality and Innovation: Our One College Culture will continuously share and implement innovative and best practices that improve outcomes, learning and performance, measuring effectiveness, individual and group accountability, stewardship communications, and service excellence.
- ✿ Completion and Success: We will support our students in accomplishing their educational, career and job goals and improving the quality of their lives in a multi-cultural society.

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



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 \$121.0 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)

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 re-accreditation through the Higher Learning Commission. There were 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



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

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 the 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 was 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 21st 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 colleges and universities 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.

The administration continues to work with the Greater Cleveland Regional Transit Authority (RTA) to provide students with easy access to low cost public transportation. Beginning Spring Semester 2014, RTA's Universal Pass (UPass) program allows students to ride free of charge on all Greater Cleveland RTA buses and rapid trains during specific academic semesters. It is estimated that 30 percent of students will take advantage of this no cost program during the academic year, helping these students get to campus easily, on time, and without worrying about parking.

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 50.0 percent of required titles will be available with a rental option and 25.0 percent of required titles will be available with a digital option. Students choosing to rent a textbook can save up to 50.0 percent off the new print price, and students choosing to purchase or rent an e-Textbook can save up to 60.0 percent off the new print price. These savings are in addition to the 25.0 percent savings students received when purchasing used textbooks. Expanding textbook options has increased satisfaction, service and savings that meet the needs of our students.

On February 7, 2014 the College entered into an agreement with Baldwin Wallace University (BWU) called the Dual Admission Program. The goal of the program is to recruit and enroll students to Cuyahoga Community College and BWU, with the intent that students first complete their associate's degree at Cuyahoga Community College, while purposefully preparing for transfer to BWU to complete their bachelor's degree. Additionally, the College entered into another partnership with BWU to host BWU's East Campus at the College's Corporate College East Campus, effective August 2014 through July 2018. This partnership will permit Cuyahoga Community College students to obtain a four-year degree in certain business majors by completing their first two years of undergraduate education and obtaining an associate's degree at Cuyahoga Community College's adjacent Eastern Campus, and then finishing their last two years of undergraduate education with BWU. This partnership also enables BWU to offer its MBA and Healthcare MBA program at Corporate College East.

Similar to its enrollment agreement with BWU, the College also established a Dual Admission Program with Hiram College (Hiram) on April 24, 2014. Through this partnership, students can earn their associate's degrees at Cuyahoga Community College and then earn a bachelor's degree in accounting and financial management or business management from Hiram while studying at Cuyahoga Community College's Eastern Campus.

The College has partnered with Tiffin 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 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 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

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's nursing program has received accreditation from the Accreditation Commission for Education in Nursing through 2022. This renewed accreditation affirms the quality and professionalism of Tri-C's nursing program. The College will continue to work with employers to ensure that the nursing program remains among the top in the nation, preparing graduates for productive careers.



- The College has started a new program called the First Year Experience (FYE) designed to help new students to start their college career on the right path. The four major goals of FYE are to help students to connect, engage, plan, and succeed. FYE features a series of activities designed to help students succeed by customizing to each student's individual needs.
- Dr. Alex Johnson, who led the College's Metropolitan Campus from 1993 to 2003, returned to the College as its fourth President effective July 1, 2013 after the retirement of President Dr. Jerry Sue Thornton. Before returning to Tri-C, Dr. Johnson served as President of the Community College of Allegheny County (CCAC) in Pittsburgh where he was very successful in emphasizing student success, strengthening leadership, and improving CCAC's financial position through effective and efficient budget management processes and expansion of revenue streams.

Awards and Acknowledgements

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, 2013. 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, 2014. 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, 2013. 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.

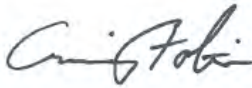
An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.

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, CGMA
Executive Director
Accounting & Financial Operations



Government Finance Officers Association

**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, 2013

Executive Director/CEO

CUYAHOGA COMMUNITY COLLEGE

MISSION



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

VISION

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

VALUES

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



CUYAHOGA COMMUNITY COLLEGE PRESIDENT & BOARD OF TRUSTEES

	<p>Alex Johnson, Ph.D.</p> <p><i>President</i></p>		<p>Victor A. Ruiz</p> <p><i>County Executive Appointment</i> <i>Term ends 02-27-17</i></p>
	<p>Jerry L. Kelsheimer</p> <p><i>Chairman</i></p> <p><i>County Executive Appointment</i> <i>Term ends 01-16-15</i></p>		<p>Megan O'Bryan</p> <p><i>County Executive Appointment</i> <i>Term ends 03-26-17</i></p>
	<p>Nadine H. Feighan</p> <p><i>Vice Chairperson</i></p> <p><i>County Executive Appointment</i> <i>Term ends 01-16-15</i></p>		<p>Bruce D. Murphy</p> <p><i>Governor Appointment</i> <i>Term ends 10-12-17</i></p>
	<p>David W. Whitehead</p> <p><i>County Executive Appointment</i> <i>Term ends 04-25-16</i></p>		<p>Andrew E. Randall</p> <p><i>Governor Appointment</i> <i>Term ends 10-12-17</i></p>
	<p>Dr. Harry Graham</p> <p><i>County Executive Appointment</i> <i>Term ends 05-30-16</i></p>		<p>Rachel Von Hendrix</p> <p><i>Governor Appointment</i> <i>Term ends 10-12-18</i></p>

Cuyahoga Community College

College Administration

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

Dr. Belinda Miles, *Executive Vice President/Provost, Access, Learning and Success*

William Gary, *Executive Vice President, Workforce & Economic Development*

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

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

Dr. Ron Liss, *Campus President, College Vice President, Western Campus*

Dr. Terri Pope, *Campus President, College Vice President, Westshore Campus*

Gerard Hourigan, *Vice President, Information Technology Services*

Peter MacEwan, *Vice President, Facilities Development*

Renee Richards, *Vice President, Office of General Counsel and Legal Services*

Judith McMullen, *Chief Human Resources Officer*

David Hoovler, *Vice President, Integrated Communications*

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

Dr. JaNice Marshall, *Associate Vice President, Access and Community Engagement*

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

Lisa Williams, *Vice President, Learning and Engagement*

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

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

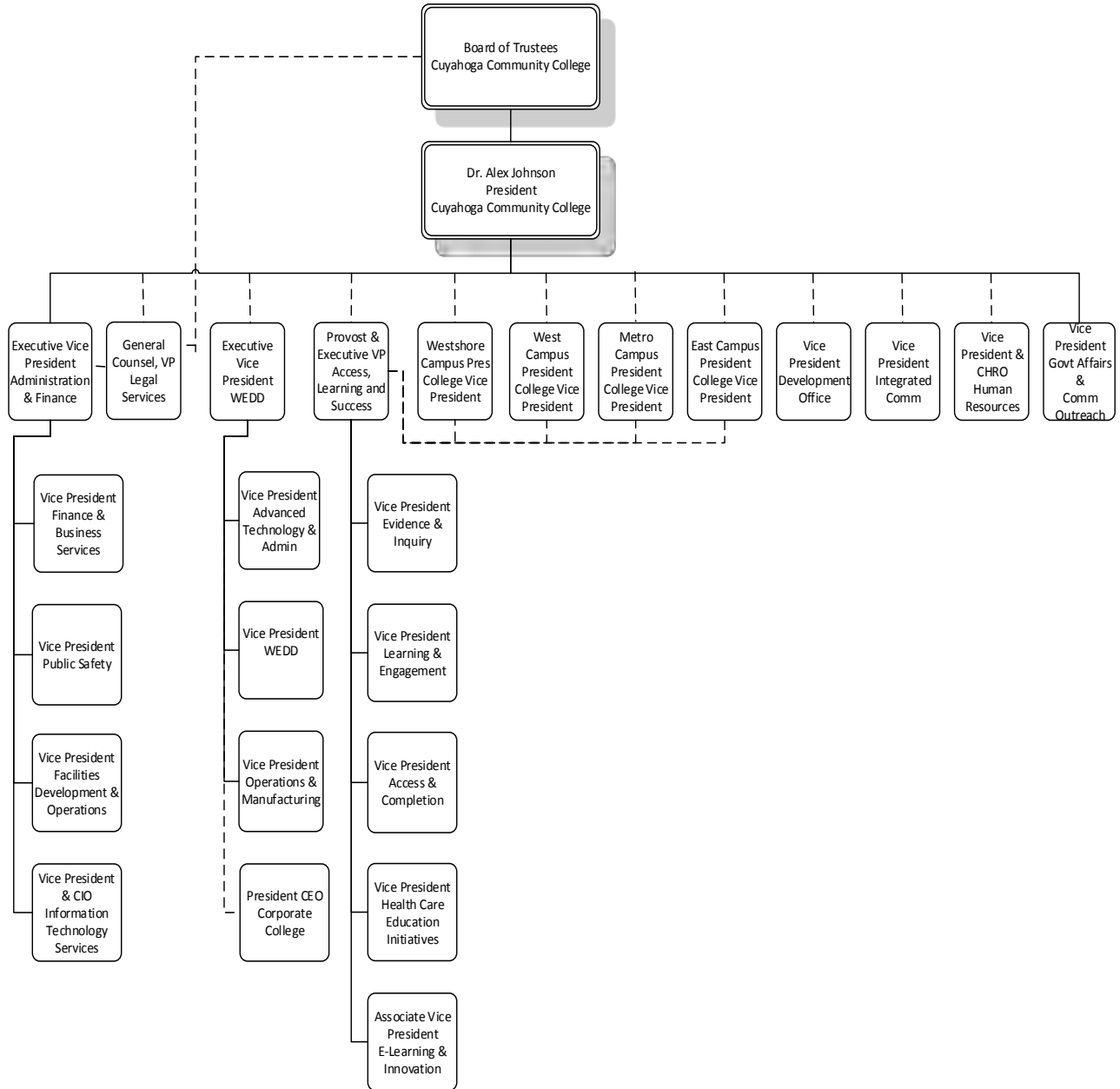
Dr. Karen Miller, *Vice President, Access and Completion*

Dr. Jennifer Spielvogel, *Vice President, Evidence and Inquiry*

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

Cuyahoga Community College

Organizational Chart





Financial Section

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Independent Auditor's Report

Board of Trustees
Cuyahoga Community College
Cleveland, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Cuyahoga Community College (the "College") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Implementation of New Accounting Standards

As described in Note 1 to the basic financial statements, in 2014, the College adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Adjustments to Prior Period Financial Statements

The basic financial statements of the College as of and for the year ended June 30, 2013, were audited by other auditors whose report dated November 25, 2013, expressed unmodified opinions on those financial statements. As discussed in Note 1 to the financial statements, the College has adjusted its 2013 financial statements to retrospectively apply the change in accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, resulting in the reclassification of debt issuance costs to expense in the period incurred rather than amortizing over the life of the debt. The other auditors reported on the financial statements before the retrospective adjustment.

As part of our audit of the 2014 financial statements, we also audited the adjustments to the 2013 financial statements to retrospectively apply the change in accounting as described in Note 1. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the College's 2013 financial statements other than with respect to the adjustments, and accordingly, we do not express an opinion or any other form of assurance on the 2013 financial statements as a whole.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Trustees
Cuyahoga Community College

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2014 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Cini & Panichi, Inc.

Cleveland, Ohio
November 20, 2014

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Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2014 and 2013
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, 2014, with comparative information for the years ended June 30, 2013 and June 30, 2012. 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 position 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:

	College Performance Metrics			
	Target	2014	2013	2012
Primary Reserve Ratio	>40%	36.4%	32.9%	32.3%
Viability Ratio	>60%	73.6%	63.9%	59.0%
Net Income Ratio	3.00%	1.6%	-1.9%	-0.5%
Debt Burden Ratio	<7%	6.0%	5.8%	6.3%
Debt Service Coverage Ratio	>3.13x	2.01x	1.53x	1.42x
Return on Net Position Ratio	>4.43%	1.6%	-1.9%	-0.5%

- **Primary Reserve Ratio:** Provides a snapshot of the financial strength and flexibility by indicating how long the College could function using its expendable reserves without relying on additional net position.
- **Viability Ratio:** Measures the financial health at a point in time. The ratio measures the availability of expendable net position 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.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2014 and 2013
Unaudited

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

As of June 30, 2014, the College's financial position remains strong with total assets of \$582.1 million. The College experienced an increase in overall net position, which indicates the economic pressures felt in previous years is beginning to reverse itself. Although economic conditions are improving, the College sets targets that are aggressive 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 2014 include:

- Investment returns in current assets increased by \$15.5 million compared to fiscal year 2013. As the economy continues to recover, the College's investments have fared well. Since the College has shifted investments to be more diversified instruments such as alternative investments, investment returns have increased.
- State Appropriations increased by \$1.9 million compared to fiscal year 2013. In fiscal year 2014, the State enacted funding changes for colleges and universities, shifting funding calculations based on enrollment figures to completion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to Cuyahoga Community College's basic financial statements, which include financial statements prepared in accordance with the accrual basis of accounting and the notes to the basic financial statements. The annual financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which amends GASB Statement Nos. 39 and 14, *Determining Whether Certain Organizations are Component Units*, the Foundation qualifies as a discretely presented component unit of the College. The Foundation is included as a component unit because the fiscal dependency criteria apply to this not-for-profit fundraising organization, which operates exclusively for the benefit of Cuyahoga Community College.

The 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 statements consist of comparative Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position 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.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2014 and 2013
Unaudited

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

Statements of Net Position

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

Table 1
Net Position
(in Thousands)

	2014	2013 Restated	2012 Restated
Assets			
Current Assets	\$210,232	\$205,586	\$199,831
Non-current Assets			
Capital Assets, Net	345,619	357,770	362,955
Other	26,213	26,741	45,805
<i>Total Non-current Assets</i>	371,832	384,511	408,760
<i>Total Assets</i>	582,064	590,097	608,591
Deferred Outflows of Resources	467	493	519
Liabilities			
Current Liabilities	60,425	58,796	60,243
Non-current Liabilities	151,167	156,187	164,180
<i>Total Liabilities</i>	211,592	214,983	224,423
Deferred Inflows of Resources	65,237	74,872	78,330
Net Position			
Net Investment in Capital Assets	193,676	203,309	209,467
Restricted for Other Purposes - Expendable	2,949	4,711	3,956
Unrestricted	109,078	92,715	92,934
<i>Total Net Position</i>	\$305,703	\$300,735	\$306,357

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2014 and 2013
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Assets and Deferred Outflow of Resources

Total 2014 assets decreased \$8.0 million (1.4%) from 2013 principally due to the following factor:

- Cash and cash equivalents decreased by \$6.5 million, due to investing these monies into short-term and long-term investments.
- Restricted cash and cash equivalents decreased by \$1.1 million, mainly due to the completion of capital projects.
- Capital assets, net of accumulated depreciation, decreased by \$12.2 million primarily due to fewer capital projects being constructed and fewer capital assets purchased than from previous years.

Total 2013 assets decreased \$18.5 million (3.0%) from 2012 principally due to the following factors:

- Property taxes receivable decreased by \$4.7 million, due to the reassessment of property values in Cuyahoga County.
- Accounts receivable decreased by \$3.8 million, mainly due to declining enrollment for Fall 2013 semester.
- Restricted cash and cash equivalents decreased by \$10.9 million due to the close out of spending associated with the Series C bond issuance.
- Capital assets, net of accumulated depreciation, decreased \$5.2 million mainly due to the completion of major capital projects in prior years and a large reduction in the number and dollar value of projects for fiscal year 2013.

Liabilities and Deferred Inflow of Resources

Total 2014 liabilities and deferred inflow of resources decreased \$13.0 million (4.5%) from 2013 principally due to the following factors:

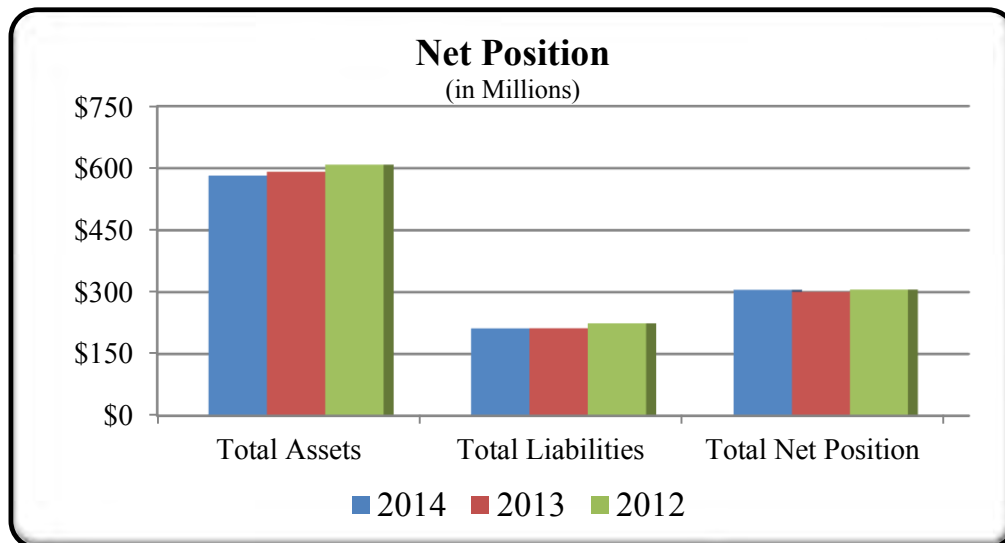
- Deferred Inflow of Resources from property taxes decreased by \$10.3 million, due to an extraordinary large advanced payment of property taxes by Cuyahoga County's Fiscal Office. The County made an operational decision to move as much cash as possible prior to moving into their new building. This increase in the 2nd half real property tax advance received corresponds to the increase revenue in local appropriations.
- The current and noncurrent capital lease obligations increased by \$1.7 million due to the College entering into four new capital leases for \$6.1 million, offset by \$4.4 million of principal payments.
- Total noncurrent liabilities decreased by \$5.0 million mainly due to the \$5.5 in debt payments related to the general receipt bonds.

Total 2013 liabilities and deferred inflow of resources decreased \$12.9 million (4.3%) from 2012 principally due to the following factors:

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2014 and 2013
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- The current and noncurrent capital lease obligations decreased by \$4.0 million due to the College entering into two new capital leases for \$1.7 million, offset by \$5.7 million of principal payments.
- Deferred Inflow of Resources from property taxes decreased by \$3.6 million, due to the reassessment of property values which decreased the corresponding property taxes receivable.
- General receipt bonds decreased by \$5.3 million due to debt payments made in the normal course of business.

Net position increased from \$300.7 million to \$305.7 million during the year ended June 30, 2014. Net position decreased from \$306.4 million to \$300.7 million during the year ended June 30, 2013.



Statements of Revenues, Expenses and Changes in Net Position

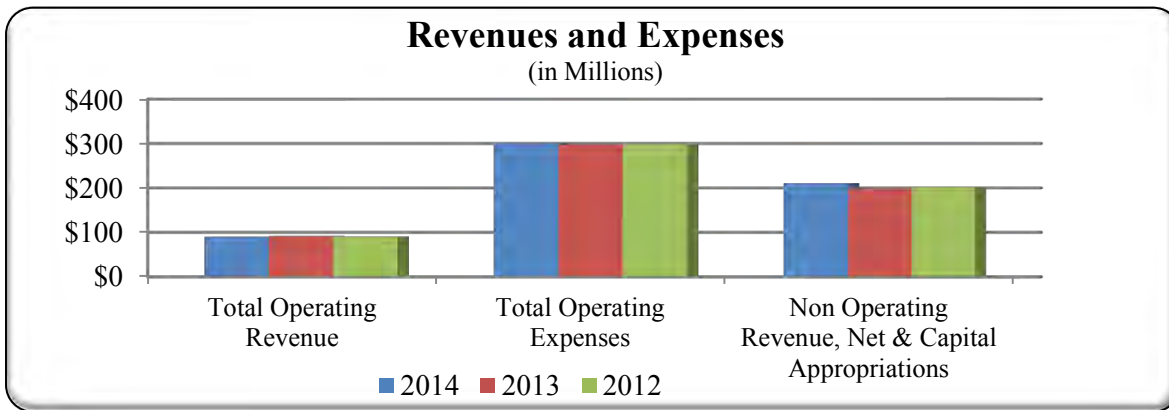
The Statements of Revenues, Expenses and Changes in Net Position present the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. As a public institution, the College is dependent on State assistance. This dependency contributes toward an operating deficit because the financial reporting model classifies State appropriations as non-operating revenues. Summarized revenues, expenses, and changes in net position for the years ended June 30, 2014, 2013 and 2012 are as follows:

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2014 and 2013
Unaudited

Table 2
Change in Net Position
(in Thousands)

	2014	2013 Restated	2012 Restated
Operating Revenues			
Net Tuition and Fees	\$49,098	\$46,972	\$41,911
Grants and Contracts	13,726	17,233	22,335
Auxiliary Enterprises	16,814	17,646	16,529
Other	10,270	9,716	9,772
<i>Total Operating Revenue</i>	<u>89,908</u>	<u>91,567</u>	<u>90,547</u>
Operating Expenses			
Educational and General	262,428	257,015	260,529
Depreciation	24,015	24,948	21,566
Auxiliary Enterprises	14,489	15,328	15,473
<i>Total Operating Expenses</i>	<u>300,932</u>	<u>297,291</u>	<u>297,568</u>
<i>Net Operating Loss</i>	<u>(211,024)</u>	<u>(205,724)</u>	<u>(207,021)</u>
Non-operating Revenues (Expenses)			
State Appropriations	59,457	57,514	56,217
Property Taxes	93,359	84,017	87,092
Grants and Contracts	53,195	55,949	59,548
Investment Income, Net	10,985	7,508	1,138
Other Expenses, Net	(6,431)	(6,643)	(2,410)
<i>Total Non-operating Revenues (Expenses)</i>	<u>210,565</u>	<u>198,345</u>	<u>201,585</u>
<i>Income (Loss) before State Capital Appropriations</i>	<u>(459)</u>	<u>(7,379)</u>	<u>(5,436)</u>
State Capital Appropriations	5,427	1,757	3,868
<i>Increase (Decrease) in Net Position</i>	<u>4,968</u>	<u>(5,622)</u>	<u>(1,568)</u>
<i>Net Position Beginning of Year - Restated</i>	<u>300,735</u>	<u>306,357</u>	<u>307,925</u>
<i>Net Position End of Year</i>	<u><u>\$305,703</u></u>	<u><u>\$300,735</u></u>	<u><u>\$306,357</u></u>

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2014 and 2013
Unaudited



Operating Revenues

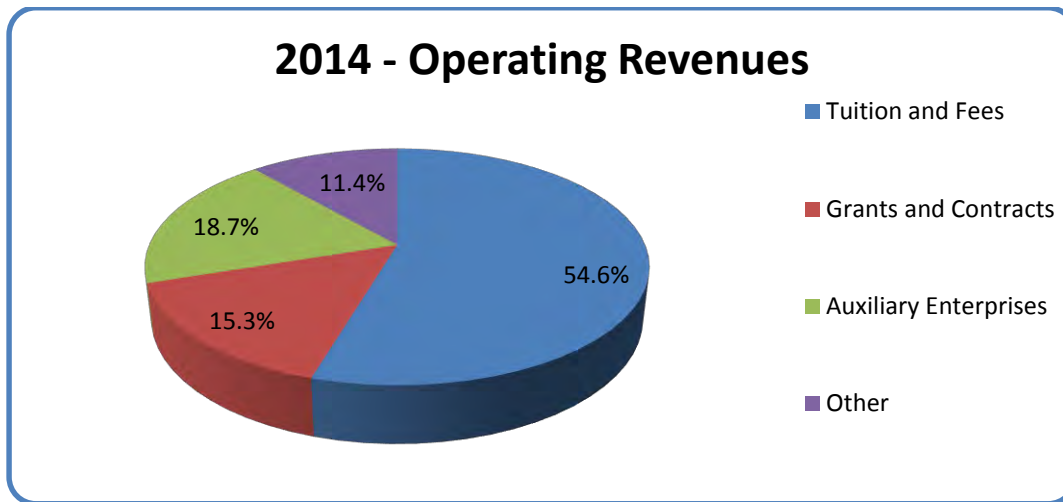
Total 2014 operating revenues decreased \$1.7 million (1.8%) from 2013 principally due to the following factors:

- Federal grants decreased by \$1.9 million in 2014 from 2013 primarily due to the close out of HIT grant, which reduced federal grant revenue by \$1.6 million.
- Private grants decreased by \$1.7 million due to the timing of the pledge of the Goldman Sachs' 10K Small Business Grant.
- Student tuition and fees increased by \$2.1 million due to a slight increase in tuition charges beginning in Fall 2013.
- Auxiliary enterprise revenue decreased by \$0.8 million due to decrease sales in used book sales at the College's four bookstore locations.
- Other revenue increased by \$0.6 million due to increase facility rental sales at Corporate College.

Total 2013 operating revenues increased \$1.0 million (1.1%) from 2012 principally due to the following factors:

- Student tuition and fees increased \$5.1 million due to increases in tuition charges beginning in Fall 2012.
- Grants and contracts decreased \$5.1 million, primarily as a result of the close out of the Health Information Technology grant during fiscal year 2013.
- Auxiliary enterprises increased by \$1.1 million, from increased utilization of the services.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2014 and 2013
Unaudited



Operating Expenses

Total 2014 operating expenses increased by \$3.6 million (1.2%) from 2013 principally due to the following factors:

- Operation and Maintenance of Plant expenses increased by \$3.4 million due to increased costs for utilities and completion of various maintenance and grounds projects throughout the College.
- Institutional Support expenses increased by \$1.6 million mainly due to increased expenditures geared toward increasing student enrollment and promoting educational programs.
- Public Service expenses decreased by \$1.8 million mainly due to the close out of two grants. The closure of the HIT grant reduced expenses by \$1.6 million and the close out of the Smart Grid grant further reduced expenses by \$0.3 million.

Total 2013 operating expenses decreased \$278,000 (0.1%) from 2012 principally due to the following factors:

- Public service expenses decreased by \$5.7 million due to close out of the Federal Health Information Technology grant.
- Institutional Support expenses increased by \$2.4 million due to an increased focus on marketing and program education.
- Depreciation increased by \$3.4 million, due to the capitalization of assets in fiscal year 2012 with shorter useful lives, including equipment and building improvements.

Non-operating Revenues (Expenses)

Total 2014 non-operating revenues (expenses) increased by \$12.2 million (6.2%) from 2013 principally due to the following factors:

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2014 and 2013
Unaudited

- Property tax revenue increased by \$9.3 million due to a larger than normal advanced payment received from Cuyahoga County.
- Unrestricted investment income increased by \$3.5 million, due to improved market conditions which led to unrealized gains of \$5.0 million in the long term investment pool.

Total 2013 non-operating revenues (expenses) decreased \$3.2 million (1.6%) from 2012 principally due to the following factors:

- Property tax revenue decreased by \$3.1 million, due to the decrease of assessed property values in Cuyahoga County.
- Federal grants and contracts decreased by \$3.6 million, due to enacted restrictions on Federal PELL grants.
- Investment income, net, increased by \$6.4 million, due to improved market conditions resulting in unrealized gains of \$3.8 million and realized gains of \$2.3 million for fiscal year 2013.

State Capital Appropriations

Total 2014 capital appropriations from the State of Ohio increased by \$3.7 million from 2013 and total 2013 capital appropriations from the State of Ohio decreased \$2.1 million from 2012. 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 College received \$10.1 million in appropriation during the biennium of 2013-2014. The State's latest capital appropriations will be used renovate the existing 22,953 square foot Crile Building and for roof replacements on buildings in the College's Western Campus. The projects funded during the 2008-2009 biennium are closing out, which caused capital appropriations revenues to decline in 2013.

Restatement of Net Position

The financial impact resulting from the implementation of GASB Statement No. 65 is the restatement of fiscal year 2013 beginning net position by \$1,334,104 for unamortized bond issuance costs incurred.

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
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Unaudited

CAPITAL ASSETS AND LONG TERM OBLIGATIONS

Table 3
 Capital Assets at June 30, 2014
 (Net of Depreciation)

	2014	2013	2012
Land	\$23,911	\$23,911	\$23,911
Construction in Progress	4,089	2,351	21,495
Buildings	180,416	187,985	174,292
Building Improvements	100,372	105,191	106,680
Improvements other than Buildings	12,469	13,347	8,600
Library Books	667	651	617
Moveable Equipment	23,695	24,334	27,360
Total	\$345,619	\$357,770	\$362,955

The College's net capital assets decreased \$12.2 million in fiscal 2014, mainly due to increased depreciation expense in the building improvement, improvements other than buildings, and moveable equipment classifications. During fiscal year 2014, the College's capital asset additions totaled \$16.4 million and depreciation expense was \$24.0 million. Additional information on the College's capital assets may be found in Note 4 of the financial statements.

The College's net capital assets decreased \$5.2 million in fiscal year 2013, mainly due to a slowdown in construction compared to fiscal year 2012 and depreciation increasing from assets added. During fiscal year 2013, the College's capital asset additions totaled \$20.0 million and depreciation expense was \$24.9 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, 2014
 (in Thousands)

	2014	2013	2012
General Receipt Bonds	\$123,790	\$129,257	\$134,534
Certificates of Participation	7,596	8,215	8,814
Capital Leases	21,362	19,669	23,738
Compensated Absences	9,061	8,576	8,158
Claims and Other Liabilities	3,412	3,535	3,883
Total	\$165,221	\$169,252	\$179,127

The College's debt, which is all capital related, is comprised of 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 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

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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 increased due to the College entering into four new capital leases in 2014 totaling \$6.1 million, offset by \$4.4 million of principal payments in the ordinary course of business. Additional information on the College's debt may be found in Notes 11 and 12 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.

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). Though what is often referred to as "the Great Recession" officially ended in June 2009, neither the U.S. nor Ohio economies have experienced growth rates similar to those of past recoveries. The decrease in Ohio employment was steeper relative to the rest of the country during the recession, but the rebound has been slightly stronger. Employment in Ohio is projected to increase 1.4 percent in fiscal year 2014 and 1.3 percent in fiscal year 2015. As a result tax revenue growth should continue into the next biennium, though at a modest rate, which could help the College to recover State funding levels to pre-recession amounts.

Cuyahoga County experienced uncertain times, just like the State, and is seeing a slow rebound from the recession. The County reappraised property values early in 2012 and the result was a decrease in property values of 9.0 percent throughout the County. Lower property values, high delinquency rates and the elimination of the CAT tax reimbursement have decreased the amount of property taxes received by the College. 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. Although the College did see a significant increase in property tax revenue in fiscal year 2014 due to the County making a larger tax advance than normal, the College does not expect this to occur again.

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 2013, enrollment has decreased by 14.0 percent to 27,118 students. Comparing Fall semester 2012 to Fall semester 2013, the College is projecting an 8.2 percent decrease. The College implemented an aggressive marketing plan in Fall of 2012, and continues to focus on marketing to help boost enrollment numbers. 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 2014 budget, the College has instituted a number of budgetary measures including strategic hiring practices, increasing tuition rates in the Fall semester 2013 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

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Master Plan, including the Police and Fire Academy Center of Excellence and roof replacements 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 Position

June 30, 2014 and 2013

	2014	2013 Restated
Current Assets:		
Cash and Cash Equivalents (Note 2)	\$10,483,550	\$17,017,911
Investments (Note 2)	83,223,428	67,721,093
Property Taxes Receivable (Note 8)	82,570,937	81,405,822
Accounts Receivables, Net (Note 5)	18,984,676	22,563,968
Restricted Receivables (Note 5)	3,469,079	6,819,109
Other Assets (Note 5)	11,500,640	10,057,922
<i>Total Current Assets</i>	<u>210,232,310</u>	<u>205,585,825</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents (Note 1)	1,489,332	2,563,259
Investments (Note 2)	24,394,970	23,909,916
Other Assets (Note 5)	328,444	268,213
Capital Assets, Not Being Depreciated (Note 4)	28,000,684	26,262,747
Capital Assets, Net of Depreciation (Note 4)	317,618,684	331,507,102
<i>Total Noncurrent Assets</i>	<u>371,832,114</u>	<u>384,511,237</u>
<i>Total Assets</i>	<u>582,064,424</u>	<u>590,097,062</u>
Deferred Outflow of Resources		
Loss on Refunding (Note 1)	467,236	493,074
Current Liabilities:		
Accounts Payable and Accrued Liabilities (Note 7)	17,904,462	18,945,187
Liabilities Payable from Restricted Assets (Note 7)	989,076	982,149
Unearned Revenue (Note 1)	27,476,373	25,803,703
Capital Lease Obligations - current portion (Note 12)	5,115,085	4,439,376
General Receipt Bonds - current portion (Note 11)	5,430,000	5,235,000
Certificates of Participation - current portion (Note 11)	640,000	620,000
Claims and Other Liabilities - current portion (Note 14)	1,720,710	1,598,070
Compensated Absences - current portion (Note 13)	1,148,762	1,173,071
<i>Total Current Liabilities</i>	<u>60,424,468</u>	<u>58,796,556</u>
Noncurrent Liabilities:		
Capital Lease Obligations (Note 12)	16,246,668	15,229,551
General Receipt Bonds (Note 11)	118,360,193	124,022,260
Certificates of Participation (Note 11)	6,956,371	7,594,997
Claims and Other Liabilities (Note 14)	1,691,500	1,936,778
Compensated Absences (Note 13)	7,912,114	7,403,071
<i>Total Noncurrent Liabilities</i>	<u>151,166,846</u>	<u>156,186,657</u>
<i>Total Liabilities</i>	<u>211,591,314</u>	<u>214,983,213</u>
Deferred Inflow of Resources		
Property Tax (Note 8)	64,287,704	74,580,322
Grants Received in Advance (Note 1)	949,796	291,516
<i>Total Deferred Inflow of Resources</i>	<u>65,237,500</u>	<u>74,871,838</u>
Net Position:		
Net Investment in Capital Assets	193,676,215	203,308,538
Restricted for Other Purposes:		
Expendable (Note 1)	2,949,297	4,711,323
Unrestricted	109,077,334	92,715,224
<i>Total Net Position</i>	<u>\$305,702,846</u>	<u>\$300,735,085</u>

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Financial Position
Component Unit
June 30, 2014 and 2013

	2014 CCC Foundation	2013 CCC Foundation
Assets:		
Cash and Cash Equivalents (Note 17)	\$2,103,673	\$2,214,979
Investments (Note 17)	41,829,670	33,677,035
Receivables: (Note 17)		
Interest	2,009	100
Pledges - Net	4,493,129	5,893,886
Due from Related Party	23,600	26,990
Beneficial Interest in Remainder Trust (Note 17)	392,892	380,106
Cash Surrender Value of Insurance (Note 17)	122,177	134,607
Prepaid Expenses	87,500	130,000
Other Assets	125,000	205,100
<i>Total Assets</i>	<u>49,179,650</u>	<u>42,662,803</u>
Liabilities:		
Due to Related Party (Note 17)	618,712	3,081,671
Annuities Payable (Note 17)	18,228	12,110
<i>Total Liabilities</i>	<u>636,940</u>	<u>3,093,781</u>
Net Assets:		
Restricted:		
Permanently (Note 17)	2,920,192	2,837,836
Temporarily (Note 17)	45,334,930	36,612,363
Unrestricted	287,588	118,823
<i>Total Net Assets</i>	<u>\$48,542,710</u>	<u>\$39,569,022</u>

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2014 and 2013

	2014	2013 Restated
Operating Revenues:		
Student Tuition and Fees (Net of scholarship allowances of \$15,443,940 in 2014 and \$17,941,027 in 2013)	\$49,098,432	\$46,971,771
Federal Grants and Contracts	9,304,052	11,183,223
State Grants and Contracts	1,007,245	962,457
Local Grants and Contracts	97,258	31,549
Private Grants and Contracts	3,317,489	5,055,465
Sales and Services	6,881,147	6,959,835
Auxiliary Enterprises	16,813,484	17,645,723
Other Operating Revenues	3,389,049	2,756,336
<i>Total Operating Revenues</i>	<u>89,908,156</u>	<u>91,566,359</u>
Operating Expenses:		
Educational and General:		
Instruction and Departmental Research	91,090,393	89,668,104
Public Service	13,570,210	15,366,951
Academic Support	23,149,402	22,840,902
Student Services	22,719,192	22,347,722
Institutional Support	44,132,213	42,594,370
Operation and Maintenance of Plant	28,223,839	24,783,953
Student Aid	39,542,739	39,412,100
Depreciation	24,015,292	24,948,271
Auxiliary Enterprises	14,488,750	15,328,360
<i>Total Operating Expenses</i>	<u>300,932,030</u>	<u>297,290,733</u>
<i>Operating Loss</i>	<u>(211,023,874)</u>	<u>(205,724,374)</u>
Non-Operating Revenues (Expenses):		
State Appropriations	59,456,558	57,514,575
Property Taxes	93,359,487	84,016,876
Federal Grants and Contracts	53,194,784	55,939,958
State Grants and Contracts	0	9,095
Gain (Loss) on Sale of Assets	27,849	(123,283)
Unrestricted Investment Income (Net of Investment Expenses of \$69,813 in 2014 and \$72,722 in 2013)	10,978,652	7,501,967
Restricted Investment Income	6,012	6,296
Interest on Capital Debt	(6,520,815)	(6,608,723)
Other Revenues	61,892	88,619
<i>Total Non-Operating Revenues (Expenses)</i>	<u>210,564,419</u>	<u>198,345,380</u>
<i>Loss Before State Capital Appropriations</i>	(459,455)	(7,378,994)
State Capital Appropriations	5,427,216	1,757,447
<i>Changes in Net Position</i>	4,967,761	(5,621,547)
<i>Net Position Beginning of Year, Restated (See Note 1)</i>	<u>300,735,085</u>	<u>306,356,632</u>
<i>Net Position End of Year</i>	<u>\$305,702,846</u>	<u>\$300,735,085</u>

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Activities
Component Unit
For the Fiscal Years Ended June 30, 2014 and 2013

	2014 CCC Foundation	2013 CCC Foundation
Operating Revenues:		
Private Grants and Contracts	\$4,530,982	\$7,993,743
Special Events Revenue	2,570,054	2,547,230
<i>Total Operating Revenues</i>	<u>7,101,036</u>	<u>10,540,973</u>
Operating Expenses:		
Educational and General:		
Institutional Support	2,834,436	5,242,204
Student Aid	1,287,591	914,350
<i>Total Operating Expenses</i>	<u>4,122,027</u>	<u>6,156,554</u>
<i>Operating Income</i>	2,979,009	4,384,419
Non-Operating Revenues:		
Restricted Investment Income	5,994,679	3,872,543
<i>Changes in Net Assets</i>	8,973,688	8,256,962
<i>Net Assets Beginning of Year</i>	<u>39,569,022</u>	<u>31,312,060</u>
<i>Net Assets End of Year</i>	<u>\$48,542,710</u>	<u>\$39,569,022</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, 2014 and 2013

	2014 Cuyahoga Community College	2013 Cuyahoga Community College
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities:		
Student Tuition and Fees	\$51,530,441	\$51,998,416
Grants and Contracts	62,018,868	60,302,696
Sales and Services	10,273,205	9,717,856
Auxiliary Enterprises	16,995,578	17,506,556
Other Receipts	95,834	845,558
Employee and Related Payments	(169,011,365)	(167,441,543)
Supplier and Vendor Payments	(65,399,601)	(63,086,154)
Payments for Scholarships and Student Aid	(86,963,906)	(91,155,024)
Other Disbursements	(1,027,977)	(76,618)
<i>Net cash used for operating activities</i>	<u>(181,488,923)</u>	<u>(181,388,257)</u>
Cash Flows from Noncapital Financing Activities:		
Property Tax Receipts	81,901,754	85,161,876
State Appropriations	59,456,558	57,514,575
Grants and Contracts	53,203,534	55,949,053
<i>Net cash provided by noncapital financing activities</i>	<u>194,561,846</u>	<u>198,625,504</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Capital Debt, Notes and Leases	6,132,360	1,661,000
Proceeds (Losses) from Sale of Capital Assets	38,453	(123,283)
Capital Grants and Gifts Received	0	1,941,214
Purchases of Capital Assets	(6,011,105)	(22,313,229)
Principal paid on Capital Debt, Notes and Leases	(10,294,534)	(11,374,922)
Interest Paid on Capital Debt, Notes and Leases	(5,580,495)	(6,467,701)
<i>Net cash used for capital and related financing activities</i>	<u>(15,715,321)</u>	<u>(36,676,921)</u>
Cash Flows from Investing Activities:		
Proceeds from Sales and Maturities of Investments	28,320,265	45,149,766
Purchases of Investments	(34,500,474)	(31,887,281)
Investment Income	1,214,319	1,289,768
<i>Net cash provided by investing activities</i>	<u>(4,965,890)</u>	<u>14,552,253</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(7,608,288)	(4,887,421)
<i>Cash and Cash Equivalents - beginning of year</i>	<u>19,581,170</u>	<u>24,468,591</u>
<i>Cash and Cash Equivalents - end of year</i>	<u><u>\$11,972,882</u></u>	<u><u>\$19,581,170</u></u>

(continued)

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Cash Flows (continued)
For the Fiscal Years Ended June 30, 2014 and 2013

	2014 Cuyahoga Community College	2013 Cuyahoga Community College
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating Loss	(\$211,023,874)	(\$205,724,374)
Adjustments:		
Depreciation expense	24,015,292	24,948,271
<i>(Increase) Decrease in Assets:</i>		
Receivables, net	4,413,859	2,515,940
Other Assets	(2,716,020)	(6,031,841)
<i>Increase (Decrease) in Liabilities:</i>		
Accounts Payable and Accrued Liabilities	1,787,054	3,545,726
Unearned Revenue	1,672,670	(620,888)
Compensated Absences	484,734	417,892
Claims and Other Liabilities	(122,638)	(348,273)
<i>Net cash used for operating activities</i>	<u>(\$181,488,923)</u>	<u>(\$181,297,547)</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and Cash Equivalents	\$10,483,550	\$17,017,911
Restricted Cash and Cash Equivalents-Noncurrent	1,489,332	2,563,259
Total Cash and Cash Equivalents at Year End	<u>\$11,972,882</u>	<u>\$19,581,170</u>
Non-Cash Activities:		
State capital projects paid directly to vendors on College behalf	\$5,427,216	\$1,757,447
Unrealized gain (loss) on investments	9,339,218	4,412,777

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

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For The Fiscal Years Ended June 30, 2014 and 2013

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* and Statement No. 61, *The Financial Reporting Entity: Omnibus*, the College is a related organization to Cuyahoga County because the Cuyahoga County Executive appoints a majority of its board members; however, it is legally separate, and is fiscally independent of other state and local governments. The College is geographically co-extensive with Cuyahoga County but it does not meet the definition of a component unit.

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

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

The Foundation uses non-governmental generally accepted accounting principles in the United States of America (“GAAP”) as a reporting model. Therefore, the Foundation’s statement of financial position and statement of activities are reported on a separate page following the College’s statement of net position and statement of revenues, expenses, and changes in net position.

Basis of Presentation

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

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For The Fiscal Years Ended June 30, 2014 and 2013

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.

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.

Unearned Revenue – Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met because the amounts have not yet been earned. The College recognizes unearned revenue for student fees and rentals.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the College, deferred outflows of resources include a deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the College, deferred inflows of resources include property taxes for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations. These amounts have been recorded as a deferred inflow on the statement of net position. Any grants and entitlements received before time requirements are met but after all other eligibility requirements are met are also recorded as a deferred inflow of resources.

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 statement of net position date.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For The Fiscal Years Ended June 30, 2014 and 2013

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 position. 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 2014, total interest incurred amounted to \$6,540,834 of which \$20,020 was capitalized. For fiscal year 2013, total interest incurred amounted to \$6,813,472 of which \$204,749 was capitalized.

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 Position Classifications

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

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For The Fiscal Years Ended June 30, 2014 and 2013

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

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

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

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 position.

New Accounting Pronouncements and Change in Accounting Principle

For fiscal year 2014, the College has implemented Governmental Accounting Standard Board (GASB) Statement No. 65 "*Items Previously Reported as Assets and Liabilities.*" GASB Statement No. 65 established

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accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The implementation of this statement resulted in bond issuance costs being expensed rather than being deferred. This change had the effect of restating the June 30, 2013 beginning net position from \$307,690,736 to \$306,356,632. The June 30, 2014 beginning net position was also restated from \$301,978,479 to \$300,735,085.

Restricted Net Position

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

	2014	2013
Instruction	\$169,071	\$173,705
Public Service	943,988	2,461,766
Academic Support	41,800	220,673
Student Services	33,977	87,880
Institutional Support	0	8,699
Student Aid	1,760,461	1,758,600
	<u>\$2,949,297</u>	<u>\$4,711,323</u>

Restricted Cash and Cash Equivalents

The College has unspent capital lease proceeds of \$761,974 and \$1,371,718 at June 30, 2014 and June 30, 2013, 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 \$337,927 and \$815,080 whose use is restricted for various capital projects at June 30, 2014 and June 30, 2013, respectively. Also, \$389,431 and \$376,461 for June 30, 2014 and June 30, 2013, respectively, is restricted for other miscellaneous purposes.

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 position.

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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).

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, 2014 and 2013 bank balances of \$15,676,124 and \$17,480,576, \$4,844,568 and \$3,336,911 were covered by federal depository insurance, and the remaining \$10,831,556 and \$14,143,665 were covered by pledged securities held by the financial institution's trust department or agent in the name of the College. Although the collateral securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the College to a successful claim by the FDIC.

Investments As of June 30, 2014 and 2013, the College's investments were as follows:

	2014			
	Six Months or Less	More Than Six Months But Less Than One Year	More Than One Year	Total
Treasury Notes	\$0	\$903,953	\$4,605,856	\$5,509,809
U.S. Agency Securities	0	1,162,334	1,202,731	2,365,065
Money Markets	1,630,077	0	0	1,630,077
Equity Mutual Funds	56,560,229	0	0	56,560,229
Bond Mutual Funds	21,499,455	0	0	21,499,455
Corporate Bonds	483,599	2,982,350	9,234,720	12,700,669
Municipal Bonds	1,936,007	102,455	51,724	2,090,186
Alternative Investments	0	0	3,565,667	3,565,667
STAROhio	25,030	0	0	25,030
Total	\$82,134,397	\$5,151,092	\$18,660,698	\$105,946,187

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2013

	More Than Six			Total
	Six Months or Less	Months But Less Than One Year	More Than One Year	
Treasury Notes	\$400,185	\$2,372,607	\$6,081,215	\$8,854,007
U.S. Agency Securities	525,989	3,636,438	3,075,890	7,238,317
Money Markets	5,078,674	0	0	5,078,674
Equity Mutual Funds	42,866,566	0	0	42,866,566
Taxable Bonds	517,328	2,689,120	3,196,175	6,402,623
Taxable Bond Funds	17,466,316	0	0	17,466,316
Municipal Bonds	3,919,317	981,522	296,459	5,197,298
Alternative Investments	0	0	3,190,866	3,190,866
STAROhio	25,025	0	0	25,025
Total	\$70,799,400	\$9,679,687	\$15,840,605	\$96,319,692

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.

Investment	Rating Agency	Amount	2014 Rating
STAROhio	Standard and Poor's	\$25,030	AAAm
Money Markets	Standard and Poor's	1,630,077	AAAm
U.S. Agency Securities	Moody's	2,365,065	Aaa
Corporate Bonds	Moody's	12,045,084	Aaa to A3
Municipal Bonds	Standard and Poor's	195,733	AAA to AA
Municipal Bonds	Moody's	1,894,453	Aaa to Aa3
Taxable Bond Funds	Morningstar	10,295,510	4 Star
Taxable Bond Funds	Morningstar	11,203,945	3 Star
Corporate Bonds	Moody's	237,736	Baa1 to Baa2
Corporate Bonds	Not Rated	417,849	Not Rated

Note: Treasury notes are considered risk free. All of the equity mutual funds and alternative investments are not rated.

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Concentration of Credit Risk The College’s investment policy requires the portfolio to be diversified. The College’s allocations over 5.0 percent as of June 30:

Investment	Percentage of Investments	
	2014	2013
Equity Mutual Funds	53.40%	44.50%
Taxable Bond Funds	20.29	18.14
Taxable Bonds	11.99	6.65
Treasury Notes	5.20	9.19
U.S. Agency Securities	2.23	7.51
Municipal Bonds	1.97	5.40
Money Markets	1.54	5.27

Note 3 – 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. The College received \$59,456,558 of student-based subsidy in fiscal year 2014 and \$57,514,575 of student-based subsidy in fiscal year 2013.

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.

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Note 4 – Capital Assets

Capital asset activity for the years ended June 30, 2014 and 2013 was as follows:

	Balance July 1, 2013	Additions	Disposals	Balance June 30, 2014
Capital Assets Not Being Depreciated				
Land	\$23,911,292	\$0	\$0	\$23,911,292
Construction in progress	2,351,455	4,081,728	2,343,791	4,089,392
Total Capital Assets Not Being Depreciated	<u>26,262,747</u>	<u>4,081,728</u>	<u>2,343,791</u>	<u>28,000,684</u>
Capital Assets Being Depreciated				
Buildings	297,851,728	0	0	297,851,728
Building improvements	196,764,896	2,920,830	27,689	199,658,037
Improvements other than buildings	39,343,545	354,778	534,022	39,164,301
Library books	951,349	178,076	187,499	941,926
Moveable equipment	57,123,446	6,673,190	1,464,319	62,332,317
Total Capital Assets Being Depreciated	<u>592,034,964</u>	<u>10,126,874</u>	<u>2,213,529</u>	<u>599,948,309</u>
Less Accumulated Depreciation:				
Buildings	109,867,222	7,568,412	0	117,435,634
Building improvements	91,574,480	7,739,904	27,689	99,286,695
Improvements other than buildings	25,996,405	1,232,653	534,022	26,695,036
Library books	300,824	161,608	187,499	274,933
Moveable equipment	32,788,931	7,312,715	1,464,319	38,637,327
Total Accumulated Depreciation	<u>260,527,862</u>	<u>24,015,292</u>	<u>2,213,529</u>	<u>282,329,625</u>
Total Capital Assets Being Depreciated, Net	<u>331,507,102</u>	<u>(13,888,418)</u>	<u>0</u>	<u>317,618,684</u>
Total Capital Assets, net	<u>\$357,769,849</u>	<u>(\$9,806,690)</u>	<u>\$2,343,791</u>	<u>\$345,619,368</u>

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	Balance July 1, 2012	Additions	Disposals	Balance June 30, 2013
Capital Assets Not Being Depreciated				
Land	\$23,911,292	\$0	\$0	\$23,911,292
Construction in progress	21,494,534	18,308,765	37,451,844	2,351,455
Total Capital Assets Not Being Depreciated	45,405,826	18,308,765	37,451,844	26,262,747
Capital Assets Being Depreciated				
Buildings	276,883,026	20,968,702	0	297,851,728
Building improvements	189,375,256	7,656,604	266,964	196,764,896
Improvements other than buildings	40,353,135	6,356,004	7,365,594	39,343,545
Library books	975,435	186,207	210,293	951,349
Moveable equipment	115,985,067	3,931,366	62,792,987	57,123,446
Total Capital Assets Being Depreciated	623,571,919	39,098,883	70,635,838	592,034,964
Less Accumulated Depreciation:				
Buildings	102,591,084	7,276,138	0	109,867,222
Building improvements	82,695,398	8,966,253	87,171	91,574,480
Improvements other than buildings	31,752,803	1,609,196	7,365,594	25,996,405
Library books	358,178	152,939	210,293	300,824
Moveable equipment	88,625,442	6,943,745	62,780,256	32,788,931
Total Accumulated Depreciation	306,022,905	24,948,271	70,443,314	260,527,862
Total Capital Assets Being Depreciated, Net	317,549,014	14,150,612	192,524	331,507,102
Total Capital Assets, net	\$362,954,840	\$32,459,377	\$37,644,368	\$357,769,849

Construction in progress began fiscal year 2014 with 23 projects totaling \$2,351,455. During fiscal year 2014, the College had additional construction in progress expenditures of \$4,081,728 including \$1,341,123 for the 23 projects and \$2,740,605 for projects started during the year. There was also \$2,343,791 of construction in progress placed in service, leaving a total of \$4,089,392 as construction in progress at year end.

Construction in progress began fiscal year 2013 with 41 projects totaling \$21,494,534. During fiscal year 2013, the College had additional construction in progress expenditures of \$18,308,765, including \$17,974,887 for the 41 projects and \$333,878 for projects started during the year. There was also \$37,451,844 of construction in progress placed in service, leaving a total of \$2,351,455 as construction in progress at year end.

In fiscal year 2014, the College continued its efforts to actively manage its investment in capital assets. As a result, the College disposed of 84 fully depreciated moveable equipment assets with a total cost of \$1,464,319 that were no longer in service but remained on the College's asset listing. The College also disposed of library books with a total cost of \$187,499 in the normal course of operations.

During fiscal year 2013, the College disposed of 10,711 fully depreciated assets with a total cost of \$61,135,891 that were no longer in service but remained on the College's asset listing. Since these assets had a \$0 net book value, the disposal of these assets did not have an impact on the Statement of Net Position or the Statement of

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Revenues, Expenses and Changes in Net Position. The College disposed of an additional 105 assets with a total cost of \$9,289,654 plus library books with a total cost of \$210,293 in the normal course of operations.

Note 5 – Accounts Receivable and Other Assets

Accounts receivable consists of the following as of June 30:

	<u>2014</u>	<u>2013</u>
Tuition and fees receivable	\$29,393,877	\$32,722,127
Allowance for doubtful accounts	<u>(10,580,583)</u>	<u>(10,580,722)</u>
	18,813,294	22,141,405
Interest receivable	170,120	211,615
Other Receivable	<u>1,262</u>	<u>210,948</u>
Totals	<u><u>\$18,984,676</u></u>	<u><u>\$22,563,968</u></u>

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 \$3,469,079 and \$6,819,109 as of June 30, 2014 and 2013, respectively.

The College has \$11,500,640 and \$10,057,922 of other current assets as of June 30, 2014 and 2013, respectively. This includes prepaid student tuition of \$7,625,679 and \$6,161,819 for fiscal year 2014 and 2013, respectively. Prepaid payroll costs associated with summer session were \$3,032,468 and \$3,810,216 respectively, and other prepaid items were \$842,493 and \$85,887, respectively. The College has \$328,444 and \$268,213 of other noncurrent assets as of June 30, 2014 and 2013, respectively. These amounts represent student loan receivables.

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Note 6 – Operating Expenses by Natural Classification

The College's operating expenses by natural classification were as follows for the years ended June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Salaries and Wages	\$134,352,307	\$132,691,348
Employee Benefits	36,016,187	34,559,459
Utilities	5,637,073	5,064,632
Supplies	5,517,855	5,008,947
Travel	4,137,652	3,588,354
Outside Services	18,320,463	21,216,022
Maintenance and Repairs	6,602,303	6,343,030
Information and Communication	7,780,583	8,245,738
Depreciation and Equipment	27,815,823	25,816,818
Rent and Occupancy	10,012,715	8,931,720
Scholarships and Other Student Aid	40,546,274	41,066,769
Other	<u>4,192,795</u>	<u>4,757,896</u>
Total Operating Expenses	<u>\$300,932,030</u>	<u>\$297,290,733</u>

Note 7 – Accounts Payable and Accrued Liabilities

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

	<u>2014</u>	<u>2013</u>
Accounts Payable	\$8,180,333	\$9,256,989
Accrued Interest Payable	2,796,393	2,894,612
Payroll & Fringe Liabilities	<u>6,927,736</u>	<u>6,793,586</u>
Total	<u>\$17,904,462</u>	<u>\$18,945,187</u>

Liabilities payable from restricted assets, primarily grant related, of \$989,076 and \$982,149 as of June 30, 2014 and 2013 includes \$594,750 and \$613,052 of accounts payable and \$394,326 and \$369,097 of payroll and fringe liabilities for 2014 and 2013, 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 2014 represents collections of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed value listed as of January 1, 2013, 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

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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 2014 represents collections of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 became a lien December 31, 2012, were levied after April 1, 2013 and are collected in 2014 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 received the last reimbursement payment in fiscal year 2013, at a greatly reduced amount from the original reimbursement plan, and has budgeted 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 and outstanding delinquencies which are measurable as of June 30, 2014 and 2013 and for which there is an enforceable legal claim. The remaining portion of the receivable is offset by a credit to deferred inflows of resources – property taxes.

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 the member invests both member and employer contributions (employer contributions vest over five years at 20.0 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 visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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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 14.0 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units. Statutory member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10.0 percent of covered payroll for members in state and local divisions and 12.0 percent for law enforcement and public safety members. For the fiscal years ended June 30, 2014 and 2013, the contribution rate for members in the state and local classification was 10.0 percent. From January 1, 2012 to December 31, 2012, the contribution rates for law enforcement and public safety members increased to 12.1 percent and 11.5 percent, respectively. From January 1, 2013 to December 31, 2013, the contribution rates for law enforcement and public safety members increased to 12.6 and 12.0, respectively. Effective January 1, 2014, the member contribution rates for law enforcement increased to 13.0 percent. 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 fiscal 2014, member and contribution rates were consistent across all three plans.

The College's 2014 and 2013 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the College's contribution was 18.1 percent of covered payroll for 2013 and 2014. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. For 2013, the portion of employer contribution allocated to health care was 1.0 percent for members in the Traditional Plan and the Combined Plan. Effective January 1, 2014, the portion of employer contributions allocated to health care increased to 2.0 percent. 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, 2014, 2013, and 2012 were \$9,027,282, \$8,940,354, and \$8,793,139, respectively. As of June 30, 2014, 91.7 percent has been contributed with the balance being reported as an accrued liability. The full amount has been contributed for fiscal year 2013 and fiscal year 2012. As of June 30, 2013, 92.1 percent had been contributed for fiscal year 2013 with the balance being reported as an accrued liability. The full amount has been contributed for fiscal years 2012 and 2011. Contributions to the Member-Directed Plan for fiscal year 2014 were \$438,549 made by the College and \$313,251 made by the plan members. Contributions to the Member-Directed Plan for fiscal year 2013 were \$402,146 made by the College and \$287,247 made by the plan members.

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.

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 divided by 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

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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 - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 11 percent for members and 14.0 percent for employers. The statutory maximum employee contribution rate was increased by one percent July 1, 2013, and will be increased one percent each year until it reaches 14.0 percent on July 1, 2016. For the fiscal year ended June 30, 2014, plan members were required to contribute 11.0 percent of their annual covered salary. The College was required to contribute 14.0 percent; 13.0 percent was the portion used to fund pension obligations.

The College's required contributions to STRS Ohio for the fiscal years ended June 30, 2014, 2013, and 2012 were \$7,647,494, \$7,467,587, and \$7,692,021 respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012. As of June 30, 2013, 100 percent has been contributed for fiscal years 2013, 2012 and 2011. Contributions to the DC and Combined Plans for fiscal year 2014 were \$575,983 made by the College and \$452,558 made by the plan members. Contributions to the DC and Combined Plans for fiscal year 2013 were \$572,695 made by the College and \$409,068 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.

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the fiscal years ended June 30, 2014, 2013 and 2012, 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, 2014, 2013, and 2012 were \$1,136,069, \$1,102,441, and \$931,217 respectively. 100 percent has been contributed for 2014, 2013, and 2012. Contributions by plan members for the fiscal years ended June 30, 2014, 2013, and 2012 were \$938,207, \$881,293, and \$773,102 respectively.

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Note 10 – Post-Employment 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 visiting <https://www.opers.org/investments/cafr.shtml>, 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 2013, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

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. For 2013, the portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 1.0 percent. Effective January 1, 2014, the portion of employer contributions allocated to health care was raised to 2.0 percent for both plans, as recommended by the OPERS Actuary.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, 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, 2014, 2013, and 2012 were \$1,017,425, \$2,284,220, and \$3,935,206 respectively. For fiscal year 2014, 91.7 percent has been contributed with the balance being reported as an accrued liability. The full amount has been contributed for fiscal years 2013 and 2012. For fiscal year 2013, 92.1 percent has been contributed

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with the balance being reported as an accrued liability. The full amount has been contributed for fiscal years 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustee on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0 percent of the employer contributions toward the health care fund after the end of the transition period.

State Teachers Retirement System

Plan Description – The College participates in 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. Ohio law authorizes STRS to offer this Plan. 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 or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code 3307 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, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2014, STRS Ohio allocated employer contributions equal to 1.0 percent of covered payroll to post-employment health care. The College's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012 were \$546,553, \$533,399, and \$549,430 respectively. The full amount has been contributed for fiscal years 2014, 2013 and 2012. As of June 30, 2013, 100 percent had been contributed for fiscal years 2013, 2012 and 2011. The STRS Board voted to discontinue the current 1.0 percent allocation to the health care fund effective July 1, 2014.

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Note 11 – Long-Term Obligations

Changes in long-term obligations of the College during fiscal years 2014 and 2013 were as follows:

	Principal Outstanding June 30, 2013	Additions	Deductions	Principal Outstanding June 30, 2014	Amount Due in One Year
General Receipt Bonds					
2009 Series C Bonds	\$103,620,000	\$0	(\$4,475,000)	\$99,145,000	\$4,655,000
Premium on Bonds	1,519,834	0	(97,530)	1,422,304	0
Total Series C Bonds	<u>105,139,834</u>	<u>0</u>	<u>(4,572,530)</u>	<u>100,567,304</u>	<u>4,655,000</u>
2012 Series D Bonds	21,550,000	0	(760,000)	20,790,000	775,000
Premium on Bonds	2,567,426	0	(134,537)	2,432,889	0
Total Series D Bonds	<u>24,117,426</u>	<u>0</u>	<u>(894,537)</u>	<u>23,222,889</u>	<u>775,000</u>
<i>Total General Receipt Bonds</i>	<u>129,257,260</u>	<u>0</u>	<u>(5,467,067)</u>	<u>123,790,193</u>	<u>5,430,000</u>
Certificates of Participation					
2009 Certificates of Participation	8,230,000	0	(620,000)	7,610,000	640,000
Discount on Certificates	(15,003)	0	1,374	(13,629)	0
<i>Total Certificates of Participation</i>	<u>8,214,997</u>	<u>0</u>	<u>(618,626)</u>	<u>7,596,371</u>	<u>640,000</u>
Other Long-Term Obligations					
Capital Leases	19,668,927	6,132,360	(4,439,534)	21,361,753	5,115,085
Compensated Absences	8,576,142	1,518,691	(1,033,957)	9,060,876	1,148,762
Claims and Other Liabilities	3,534,848	9,108,304	(9,230,942)	3,412,210	1,720,710
<i>Total Other Long-Term Obligations</i>	<u>31,779,917</u>	<u>16,759,355</u>	<u>(14,704,433)</u>	<u>33,834,839</u>	<u>7,984,557</u>
<i>Total Long-Term Liabilities</i>	<u>\$169,252,174</u>	<u>\$16,759,355</u>	<u>(\$20,790,126)</u>	<u>\$165,221,403</u>	<u>\$14,054,557</u>

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	Principal Outstanding June 30, 2012	Additions	Deductions	Principal Outstanding June 30, 2013	Amount Due in One Year
General Receipt Bonds					
2002 Series A Bonds	\$350,000	\$0	(\$350,000)	\$0	\$0
2009 Series C Bonds	107,965,000	0	(4,345,000)	103,620,000	4,475,000
Premium on Bonds	1,617,364	0	(97,530)	1,519,834	0
Total Series C Bonds	109,582,364	0	(4,442,530)	105,139,834	4,475,000
2012 Series D Bonds	21,900,000	0	(350,000)	21,550,000	760,000
Premium on Bonds	2,701,964	0	(134,538)	2,567,426	0
Total Series D Bonds	24,601,964	0	(484,538)	24,117,426	760,000
<i>Total General Receipt Bonds</i>	134,534,328	0	(5,277,068)	129,257,260	5,235,000
Certificates of Participation					
2009 Certificates of Participation	8,830,000	0	(600,000)	8,230,000	620,000
Discount on Certificates	(16,378)	0	1,375	(15,003)	0
<i>Total Certificates of Participation</i>	8,813,622	0	(598,625)	8,214,997	620,000
Other Long-Term Obligations					
Capital Leases	23,737,849	1,661,000	(5,729,922)	19,668,927	4,439,376
Compensated Absences	8,158,250	1,601,698	(1,183,806)	8,576,142	1,173,071
Claims and Other Liabilities	3,883,121	7,674,075	(8,022,348)	3,534,848	1,598,070
<i>Total Other Long-Term Obligations</i>	35,779,220	10,936,773	(14,936,076)	31,779,917	7,210,517
<i>Total Long-Term Liabilities</i>	\$179,127,170	\$10,936,773	(\$20,811,769)	\$169,252,174	\$13,065,517

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 was 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, 2014 and June 30, 2013, the College has \$337,927 and \$815,080 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

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amounts shown below as a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest.

<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
	August 1, 2021	3,000,000
August 1, 2021	February 1, 2021	3,180,000
	August 1, 2021	3,265,000
August 1, 2022	February 1, 2022	3,345,000
	August 1, 2022	3,430,000
August 1, 2023	February 1, 2023	3,510,000
	August 1, 2023	3,605,000
August 1, 2024	February 1, 2024	3,690,000
	August 1, 2024	3,785,000
August 1, 2025	February 1, 2025	3,875,000
	August 1, 2025	3,980,000
August 1, 2026	February 1, 2026	4,075,000
	August 1, 2026	4,180,000
August 1, 2027	February 1, 2027	4,285,000
	August 1, 2027	4,385,000
February 1, 2029	February 1, 2028	4,500,000
	August 1, 2028	4,630,000
	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
August 1, 2032	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.

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

Fiscal Year	Principal	Interest	Total
2015	\$5,430,000	\$5,764,050	\$11,194,050
2016	5,640,000	5,542,725	11,182,725
2017	5,880,000	5,305,150	11,185,150
2018	6,160,000	5,032,969	11,192,969
2019	6,460,000	4,736,913	11,196,913
2020-2024	37,285,000	18,678,238	55,963,238
2025-2029	47,670,000	8,305,100	55,975,100
2030-2033	5,410,000	554,875	5,964,875
Total	<u>\$119,935,000</u>	<u>\$53,920,020</u>	<u>\$173,855,020</u>

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:

Fiscal Year	Principal	Interest	Total
2015	\$640,000	\$316,865	\$956,865
2016	660,000	294,465	954,465
2017	685,000	271,365	956,365
2018	710,000	245,678	955,678
2019	735,000	217,278	952,278
2020-2024	4,180,000	589,168	4,769,168
Total	<u>\$7,610,000</u>	<u>\$1,934,819</u>	<u>\$9,544,819</u>

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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 and have been recorded on the statements. The original amounts capitalized for the capital leases and the book values as of June 30, 2014 and 2013 are as follows:

	2014	2013
<u>Assets:</u>		
Building Improvements	\$16,395,266	\$16,395,266
Equipment - Servers	2,003,731	2,003,731
Equipment - General	12,425,266	11,265,715
Subtotal of Assets	30,824,263	29,664,712
Less: Accumulated Depreciation	(5,792,276)	(7,063,226)
Current Book Value	\$25,031,987	\$22,601,486

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, 2014:

	2014
Fiscal Year	
2015	\$5,633,557
2016	5,024,711
2017	4,621,353
2018	4,516,126
2019	1,866,294
2020-2021	1,170,458
Total minimum lease payments	22,832,499
Less amount representing interest	(1,470,746)
Present value of net minimum lease payments	\$21,361,753

During the year ended June 30, 2014, the College entered into four capital leases to finance police and fire equipment and to purchase various information technology 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 \$6,132,360.

During the year ended June 30, 2013, the College entered into two capital leases to finance a data center upgrade and purchase various computer 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 \$1,661,000.

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Operating Leases – The College leases office space under non-cancelable operating leases. The College’s future minimum rental payments under these operating leases with remaining terms in excess of one year as of June 30, 2014 are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$486,693
2016	532,808
2017	532,808
2018	532,808
2019	427,618
2020	391,983
Total	<u>\$2,904,718</u>

The College’s annual rent expense under current leases was \$482,499 for the year ended June 30, 2014 and \$473,103 for the year ended June 30, 2013.

The College also acts as the lessor for five current operating lease agreements with outside entities. As of June 30, 2014, the buildings associated with these operating leases had a total cost of \$6,442,556 and accumulated depreciation totaling \$1,387,512.

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. Rent revenue for this lease was \$313,128 and \$333,396 in fiscal years 2014 and 2013, respectively.

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 \$27,598 and \$26,795 in fiscal years 2014 and 2013, 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, 2016. Rent revenue for this lease was \$8,236 and \$7,937 in fiscal years 2014 and 2013, respectively.

On March 3, 2011, the College entered into a lease agreement to lease certain space within the College’s Corporate College East and Corporate College West locations. The lease is an operating lease which commenced on March 7, 2011 and expired on March 6, 2014. Monthly rent is \$18 per square foot plus additional amounts for furnishings and improvements. The lease provides for two additional two-year renewals at the option of the tenant at \$19 per square foot for the first renewal and \$20 per square foot for the second renewal. Rent revenue for this lease was \$23,803 and \$58,913 in fiscal years 2014 and 2013, respectively.

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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 Jerry Sue Thornton Center 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 \$199,025 and \$210,225 in fiscal years 2014 and 2013, respectively.

Note 13 - Other Employee Benefits

Compensated Absences

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

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

Sick - Full-time non-bargaining, administrators and professionals are granted 15 sick days on July 1st of each fiscal year. All other full-time bargaining and non-bargaining employees accrue sick time monthly, up to 15 days per year. Faculty are granted 15 sick days at the beginning of each academic year. Sick time may be accumulated up to 180 days and carried into the new fiscal year. All 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.

Health Care Benefits

The College has elected to provide a comprehensive medical benefits package to full-time employees through either a self-insured plan (see Note 14) 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

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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.

	2014	2013	2012
Annual OPED Expenses	\$22,000	\$17,000	\$20,000
Plan Assets	0	0	0
Present Value OPEB Obligations	1,103,000	1,098,000	1,036,000
Increase/(Decrease)	5,000	62,000	65,000

The 2014 actuarial evaluation for the current retiree population is based on the following facts and assumptions:

- A. Current retiree population is 907 with a total death benefit of \$1,988,500.
- 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 14.

Note 14 – 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 2014 and 2013 for specific types of insurance. Insurance policies in place during fiscal year 2014 include the following:

Type of Coverage	Coverage
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	\$5,000,000 Aggregate
Commercial Crime	\$500,000 - \$4,000,000 Per Claim

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

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

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	Health Care			Worker's Compensation		
	2014	2013	2012	2014	2013	2012
Liability at the beginning of year	\$1,092,000	\$979,695	\$916,113	\$334,514	\$719,198	\$503,622
Current year claims, net of changes in estimates	8,838,502	7,815,536	8,058,963	355,417	(191,473)	425,438
Claim payments	(8,687,502)	(7,703,231)	(7,995,381)	(415,447)	(193,211)	(209,862)
Liability at end of year	\$1,243,000	\$1,092,000	\$979,695	\$274,484	\$334,514	\$719,198
	Disability			Retiree Death		
	2014	2013	2012	2014	2013	2012
Liability at the beginning of year	\$799,000	\$874,000	\$1,060,500	\$1,098,000	\$1,036,000	\$971,000
Current year claims, net of changes in estimates	(122,615)	(31,228)	21,523	37,000	81,000	87,000
Claim payments	(64,385)	(43,772)	(208,023)	(32,000)	(19,000)	(22,000)
Liability at end of year	\$612,000	\$799,000	\$874,000	\$1,103,000	\$1,098,000	\$1,036,000

Self-insured liabilities amounted to \$3,232,484 and \$3,323,514 at June 30, 2014 and 2013, respectively. Other miscellaneous liabilities amounted to \$179,726 and \$211,334, as June 30, 2014 and 2013, respectively.

Note 15 - 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, 2014.

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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Note 16 - Contractual Commitments

As of June 30, 2014 and 2013, the College had \$2,038,289 and \$1,205,078 in various contractual purchase commitments outstanding, respectively.

Note 17 - Subsequent Events

The College has one issue on the November 2014 ballot. The issue is a 1.2 mill property tax renewal levy with a 0.9 mill increase. The current 1.2 mill levy that expires December 31, 2015 generates \$31.6 million a year. The additional 0.9 mills would raise another \$24.2 million annually. An increase is necessary because of declines in state support and property tax collections. Funds generated from this levy will keep tuition affordable and accessible for Cuyahoga County residents. The voters approved the ballot issue by more than 56% approval.

Note 18 - Discretely Presented Component Unit

1. DESCRIPTION OF ORGANIZATION

The Cuyahoga Community College Foundation (the "Foundation") was incorporated in August 1973 as a tax-exempt, 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, located primarily in northeast Ohio, 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, 2014, the Foundation's tax years from 2010 and thereafter remain subject to examination by the Internal Revenue Service, as well as various State taxing authorities. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

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 that 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 that 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 that 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.

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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 statement of activities as net assets released from restrictions.

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

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

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

Cash and Cash Equivalents—Cash and cash equivalents include cash in checking accounts 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. Ten percent of the total interest and dividend income is allocated to the Foundation's General Operating Fund. The remaining interest and dividend income is allocated proportionally each month and is awarded according to the terms and conditions of the funds. For endowed funds, interest and dividend income is considered temporarily restricted unless otherwise specified by the donor. Capital gains earned on endowed principals are considered temporarily restricted unless otherwise specified by the donor.

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. Conditional promises are recorded when donor stipulations are substantially met. It is the Foundation's policy that an initial minimum balance of \$50,000 be required to establish an endowment fund. The policy allows for an annual review to determine if the accumulation of contributions and interest meet the minimum principal balance requirements.

Beneficial Interest in Remainder 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.

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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).

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

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

Annuities Payable—The Foundation is obligated under three annuity contracts, whereby donors have contributed cash to the Foundation with the agreement that the donors shall be the sole recipient of quarterly annuity payments. These quarterly payments, currently totaling \$1,630 per year, shall terminate on the last payment date preceding the death of the donors. The discount rates used to estimate the obligations range from 1.4% to 3.0%.

Subsequent Events—The Foundation has evaluated subsequent events through October 24, 2014 which is the date the financial statements were available to be issued and has determined that no reporting is necessary.

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 according to the net asset classifications of the individual funds until appropriated and disbursed in accordance with the agreements of the donors.

Description	2014	2013
Mutual Funds	\$ 39,163,587	\$ 31,854,140
Common Stock	279,320	148,276
Alternative Investments	2,386,763	1,674,619
Total	<u>\$ 41,829,670</u>	<u>\$ 33,677,035</u>

The investments are exposed to various risks such as interest rate, market, and credit risks. The Foundation is required to give 90 days' notice of its intent to withdraw from the alternative investments. Withdrawal is possible semi-annually after the investment has been maintained for 12 months.

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4. CONTRIBUTIONS RECEIVABLE

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 2014 and 2013. Management has determined that any allowance for uncollectible promises to give would be immaterial. Amounts due are as follows:

	2014	2013
Less than one year	\$ 2,743,322	\$ 4,031,263
One to five years	1,878,094	2,033,541
Totals	4,621,416	6,064,804
Unamortized Discount	(128,287)	(170,918)
Total	\$ 4,493,129	\$ 5,893,886

5. BENEFICIAL INTEREST IN REMAINDER TRUST

The beneficial interest in the charitable remainder unitrust totaled \$392,892 and \$380,106 at June 30, 2014 and 2013, respectively, representing the estimated portion of the trust for which the Foundation is the designated beneficiary.

6. CASH SURRENDER VALUE OF INSURANCE

The Foundation is the owner of certain life insurance policies on various donors who have named the Foundation as beneficiary. These policies are valued at their cash surrender values.

The cash surrender value of these policies at June 30, 2014 totaled \$122,177 and at June 30, 2013 totaled \$134,607.

7. RELATED PARTY TRANSACTIONS

The Foundation recognized contributions and special events revenue from the College during the years ended June 30, 2014 and 2013 of \$340,071 and \$184,750, respectively. The amounts owed to the Foundation as of June 30, 2014 and 2013 are \$23,600 and \$26,990, respectively, which are reported as due from related party on the statements of financial position.

The Foundation recognizes contributed services received from the College when those services (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by College employees possessing those skills, and would typically need to be purchased if not provided by the donation. The Foundation recognized \$181,115 and \$175,725 of contributed services as contribution revenue and as administrative and general, and fundraising expenses in fiscal years 2014 and 2013.

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The Foundation received grants restricted for educational development programs at the College from various donors of \$2,758,585 and \$3,384,580 in fiscal years 2014 and 2013, respectively. These grants are classified as temporarily restricted until the College meets certain conditions. The undistributed amounts for which the College has met the conditions are \$618,712 and \$3,081,671 as of June 30, 2014 and 2013, respectively, which are reported as due to related party on the statements of financial position.

8. 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:

	2014	2013
Scholarships	\$ 1,278,291	\$ 772,224
Educational Development	2,103,239	4,077,093
Special Events	247,552	196,681
Other	47,274	525,278
Totals	\$ 3,676,356	\$ 5,571,276

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:

	2014	2013
Scholarships	\$ 39,800,776	\$ 32,647,040
Educational Development	3,964,389	2,933,832
Special Events	1,569,765	1,031,491
Totals	\$ 45,334,930	\$ 36,612,363

Permanently restricted net assets are subject to the donor's restriction that the principal remain invested in perpetuity. The income and capital gains on these net assets may also be restricted by the donor. Permanently restricted net assets are invested to generate income to support the following purposes at June 30:

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	2014	2013
Scholarships	\$ 2,420,192	\$ 2,337,836
Educational Development	500,000	500,000
Totals	\$ 2,920,192	\$ 2,837,836

9. 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:

- 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.

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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
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 2014 and 2013.

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The Foundation's endowment fund activity was as follows for the year ended June 30, 2014:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 34,048,882	\$ 2,837,836	\$ 36,886,718
Investment return:			
Investment income	632,613	0	632,613
Net appreciation (realized and unrealized)	<u>5,250,133</u>	<u>0</u>	<u>5,250,133</u>
Total investment return	5,882,746	0	5,882,746
Contributions and transfers	2,650,162	82,356	2,732,518
Appropriation of endowment assets for expenditure	<u>(1,163,388)</u>	<u>0</u>	<u>(1,163,388)</u>
Endowment net assets, end of year	<u>\$ 41,418,402</u>	<u>\$ 2,920,192</u>	<u>\$ 44,338,594</u>

The Foundation's endowment fund activity was as follows for the year ended June 30, 2013:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 26,197,243	\$ 2,049,799	\$ 28,247,042
Investment return:			
Investment income	701,823	0	701,823
Net appreciation (realized and unrealized)	<u>3,014,732</u>	<u>0</u>	<u>3,014,732</u>
Total investment return	3,716,555	0	3,716,555
Contributions and transfers	5,508,680	788,037	6,296,717
Appropriation of endowment assets for expenditure	<u>(1,373,596)</u>	<u>0</u>	<u>(1,373,596)</u>
Endowment net assets, end of year	<u>\$ 34,048,882</u>	<u>\$ 2,837,836</u>	<u>\$ 36,886,718</u>

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10. FAIR VALUE MEASUREMENTS

The carrying amounts of financial assets reported in the accompanying statements 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.

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, 2014 and 2013. 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.

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Financial assets consisted of the following at June 30, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Common Stock	\$ 279,320	\$ 0	\$ 0	\$ 279,320
Equity Mutual Funds				
Domestic Large-Cap	12,295,541	0	0	12,295,541
Domestic Mid-Cap	2,411,144	0	0	2,411,144
Domestic Small-Cap	2,052,183	0	0	2,052,183
Global	3,363,803	0	0	3,363,803
International	6,352,644	0	0	6,352,644
Fixed Income Mutual Funds	12,688,272	0	0	12,688,272
Alternative Investments	<u>0</u>	<u>0</u>	<u>2,386,763</u>	<u>2,386,763</u>
Total Investments	<u>\$ 39,442,907</u>	<u>\$ 0</u>	<u>\$ 2,386,763</u>	<u>\$ 41,829,670</u>
Beneficial Interest in				
Remainder Unitrust	0	0	392,892	392,892
Cash Surrender Value of				
Insurance	0	0	122,177	122,177
Total	<u>\$ 39,442,907</u>	<u>\$ 0</u>	<u>\$ 2,901,832</u>	<u>\$ 42,344,739</u>

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Financial assets consisted of the following at June 30, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Common Stock	\$ 148,276	\$ 0	\$ 0	\$ 148,276
Equity Mutual Funds				
Domestic Large-Cap	10,004,479	0	0	10,004,479
Domestic Mid-Cap	2,325,922	0	0	2,325,922
Domestic Small-Cap	2,126,129	0	0	2,126,129
Global	2,309,472	0	0	2,309,472
International	4,722,814	0	0	4,722,814
Fixed Income Mutual Funds	10,365,324	0	0	10,365,324
Alternative Investments	0	0	1,674,619	1,674,619
Total Investments	<u>\$ 32,002,416</u>	<u>\$ 0</u>	<u>\$ 1,674,619</u>	<u>\$ 33,677,035</u>
Beneficial Interest in Remainder Unitrust	0	0	380,106	380,106
Cash Surrender Value of Insurance	0	0	134,607	134,607
Total	<u>\$ 32,002,416</u>	<u>\$ 0</u>	<u>\$ 2,189,332</u>	<u>\$ 34,191,748</u>

For the years ended June 30, 2014 and 2013, the changes in assets measured using significant unobservable inputs (Level 3) were as follows:

	<u>2014</u>	<u>2013</u>
Beginning Balance	\$ 2,189,332	\$ 1,910,691
Purchases	500,000	134,607
Unrealized Gains	212,500	144,034
Ending Balance	<u>\$ 2,901,832</u>	<u>\$ 2,189,332</u>

Common Stock—Common stock is valued at the closing price reported on the active markets in which the individual securities are traded and therefore is classified as Level 1.

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

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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.

Alternative Investments—Alternative investments do not have readily determined fair values as they are not listed on national exchanges or over-the-counter markets. Fair value has been determined based on the individual fund's net asset valuation provided by the investment managers, based on the guidelines established by those investment managers, which is considered to be an unobservable input and classified as Level 3 of the fair value hierarchy. The Foundation obtains and considers the audited financial statements of these investments when evaluating the overall reasonableness of the carrying value. 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 calculated annually according to IRS Publication 1458, *Actuarial Valuations*. As such, the fair value of the beneficial interest is considered to be determined based on Level 3 inputs.

Cash Surrender Value of Insurance—The cash surrender value of insurance is presented at fair value based on the amount in cash upon cancellation of the insurance policy before maturity as of the reporting period. The fair value is determined by the insurer and represents the exit price from the perspective of the Foundation. Since the valuation is unobservable, the cash surrender value calculation is considered a Level 3 input.



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.

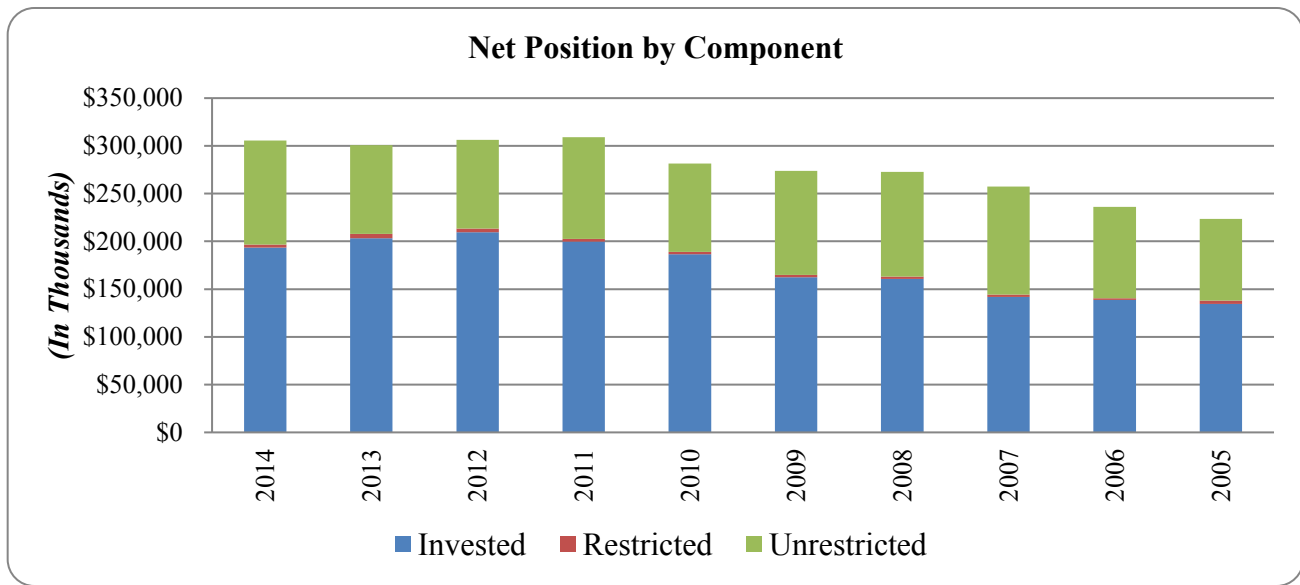
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Cuyahoga Community College
Schedule of Net Position by Component
Last Ten Fiscal Years (Dollars in Thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Investment in Capital Assets	\$193,676	\$203,309	\$209,467	\$199,797
Restricted for Other Purposes - Expendable	2,949	4,711	3,956	2,760
Unrestricted	<u>109,078</u>	<u>92,715</u>	<u>92,933</u>	<u>106,702</u>
Total Net Position	<u>\$305,703</u>	<u>\$300,735</u>	<u>\$306,357</u>	<u>\$309,259</u>



Source: College Financial Audit Reports

2010	2009	2008	2007	2006	2005
\$186,530	\$162,435	\$160,745	\$142,011	\$138,709	\$134,521
2,528	2,598	2,315	2,123	1,634	3,465
92,340	108,742	109,729	113,117	95,800	85,665
\$281,398	\$273,775	\$272,789	\$257,251	\$236,143	\$223,651

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 ⁽¹⁾</u>
Instruction and Department Research	\$91,090	\$89,668	\$88,810	\$87,056
Public Service	13,570	15,367	21,060	16,994
Academic Support	23,150	22,841	23,967	24,051
Student Services	22,719	22,348	21,429	21,713
Institutional Support	44,132	42,595	40,242	38,793
Operation and Maintenance of Plant	28,224	24,784	24,434	25,358
Student Aid	39,543	39,412	40,588	46,092
Depreciation	24,015	24,948	21,566	21,267
Auxiliary Enterprises	14,489	15,328	15,473	16,143
Total Operating Expenses	<u>300,932</u>	<u>297,291</u>	<u>297,569</u>	<u>297,467</u>
Interest on Capital Debt	6,521	6,609	6,351	5,711
Other	0	123	0	0
Total Nonoperating Expenses	<u>6,521</u>	<u>6,732</u>	<u>6,351</u>	<u>5,711</u>
Total Expenses	<u><u>\$307,453</u></u>	<u><u>\$304,023</u></u>	<u><u>\$303,920</u></u>	<u><u>\$303,178</u></u>

Source: College Financial Audit Reports

⁽¹⁾ 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.

2010	2009	2008	2007	2006	2005
\$81,905	\$77,391	\$70,910	\$70,154	\$65,300	\$61,608
12,819	10,078	9,743	10,174	11,087	14,780
22,325	21,694	20,242	20,746	19,444	17,820
21,180	19,950	18,682	18,280	18,097	17,191
37,130	37,759	34,757	32,008	32,136	29,700
27,977	28,207	23,300	22,377	20,833	17,468
35,877	30,658	23,746	21,268	21,926	23,558
20,165	15,895	17,382	16,916	16,589	16,112
14,512	12,966	11,093	10,378	10,221	9,597
<u>273,890</u>	<u>254,598</u>	<u>229,855</u>	<u>222,301</u>	<u>215,633</u>	<u>207,834</u>
3,375	3,028	2,699	2,502	2,476	1,981
197	27	105	24	19	53
<u>3,572</u>	<u>3,055</u>	<u>2,804</u>	<u>2,526</u>	<u>2,495</u>	<u>2,034</u>
<u>\$277,462</u>	<u>\$257,653</u>	<u>\$232,659</u>	<u>\$224,827</u>	<u>\$218,128</u>	<u>\$209,868</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Student Tuition and Fees	\$49,098	\$46,972	\$41,911	\$42,000
Federal Grants and Contracts	9,304	11,183	16,856	13,538
State Grants and Contracts	1,007	962	1,010	4,186
Local Grants and Contracts	97	32	0	35
Private Grants and Contracts	3,318	5,055	4,469	3,818
Sales and Services	6,881	6,960	7,197	6,368
Auxiliary Enterprises	16,814	17,646	16,529	16,863
Other Operating Revenues	3,389	2,756	2,575	2,270
Total Operating Revenues	<u>89,908</u>	<u>91,566</u>	<u>90,547</u>	<u>89,078</u>
State Appropriations	59,457	57,515	56,217	61,610
Property Taxes	93,359	84,017	87,092	94,645
Federal Grants and Contracts	53,195	55,940	59,547	63,335
State Grants and Contracts	0	9	0	(213)
Gain on Sale of Assets	28	0	3,598	0
Unrestricted Investment Income	10,979	7,502	1,067	7,630
Restricted Investment Income	6	6	72	201
Other Nonoperating Revenues	61	89	343	346
Total Nonoperating Revenues	<u>217,085</u>	<u>205,078</u>	<u>207,936</u>	<u>227,554</u>
Total Revenues	<u><u>\$306,993</u></u>	<u><u>\$296,644</u></u>	<u><u>\$298,483</u></u>	<u><u>\$316,632</u></u>

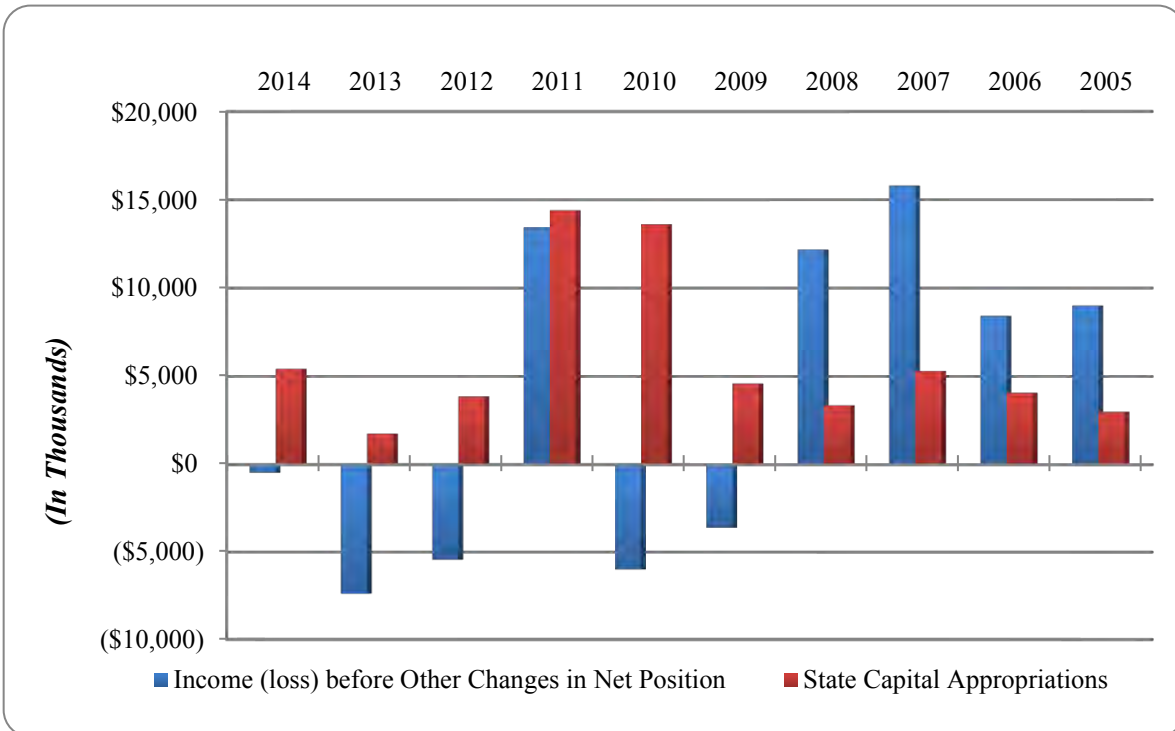
Source: College Financial Audit Reports

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

2010	2009	2008⁽¹⁾	2007	2006	2005
\$40,906	\$36,859	\$34,518	\$33,713	\$33,565	\$31,614
9,349	7,004	5,711	31,948	33,281	34,048
680	875	504	7,862	6,639	7,301
1	48	31	131	13	5
3,067	3,871	3,134	2,695	907	2,072
6,117	5,989	5,631	6,776	6,469	5,309
15,551	13,349	11,250	10,572	10,456	10,288
1,716	1,990	1,950	1,315	957	706
<u>77,387</u>	<u>69,985</u>	<u>62,729</u>	<u>95,012</u>	<u>92,287</u>	<u>91,343</u>
61,257	63,465	61,611	59,175	57,312	52,974
81,327	81,012	81,888	80,402	73,389	72,797
48,740	32,394	26,834	0	0	0
(172)	8,706	7,123	0	0	0
0	0	0	0	0	0
2,547	(1,711)	4,367	6,016	3,549	1,480
386	195	287	27	12	285
0	0	0	0	0	0
<u>194,085</u>	<u>184,061</u>	<u>182,110</u>	<u>145,620</u>	<u>134,262</u>	<u>127,536</u>
<u>\$271,472</u>	<u>\$254,046</u>	<u>\$244,839</u>	<u>\$240,632</u>	<u>\$226,549</u>	<u>\$218,879</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Income (loss) before Other Changes in Net Position	(\$459)	(\$7,379)	(\$5,437)	\$13,454
State Capital Appropriations	5,427	1,757	3,869	14,407
Total Change in Net Position	\$4,968	(\$5,622)	(\$1,568)	\$27,861



Source: College Financial Audit Reports

2010	2009	2008	2007	2006	2005
(\$5,990)	(\$3,606)	\$12,180	\$15,805	\$8,421	\$9,011
13,613	4,592	3,358	5,304	4,070	2,997
<u>\$7,623</u>	<u>\$986</u>	<u>\$15,538</u>	<u>\$21,109</u>	<u>\$12,491</u>	<u>\$12,008</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
2014	\$18,485,315	\$8,368,656	\$26,853,971	\$76,725,632	\$0	\$0
2013	18,501,991	8,392,052	26,894,043	76,840,123	0	0
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

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.

Tangible Personal Property				
Public Utility		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$840,870	\$955,534	\$27,694,841	\$77,681,166	\$3.0897
758,430	861,852	27,652,473	77,701,975	\$3.0869
698,069	793,260	29,796,665	83,932,106	\$3.0639
673,171	764,967	29,826,341	84,059,738	\$3.0639
654,490	743,739	29,593,695	83,427,181	\$2.6596
615,400	699,318	31,880,329	100,102,199	\$2.5880
588,833	669,128	32,460,486	99,221,283	\$2.5850
842,683	957,594	33,158,045	98,049,288	\$2.5879
857,331	974,240	30,646,003	88,816,532	N/A
944,717	1,073,542	30,647,570	88,664,204	N/A

Cuyahoga Community College
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Eight Years ⁽¹⁾

	2014		2013		2012	
	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾
Voted Millage - by Levy						
2002 Operating - Continuing						
Effective Millage Rates						
Residential/Agricultural	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Commercial/Industrial	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Tangible/Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2006 Operating - Continuing						
Effective Millage Rates						
Residential/Agricultural	\$1.2000	\$1.2000	\$1.2000	\$1.2000	\$1.2000	\$1.1765
Commercial/Industrial	1.2000	1.1691	1.2000	1.1606	1.2000	1.1158
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	\$1.9000	\$1.9000
Commercial/Industrial	1.9000	1.9000	1.9000	1.9000	1.9000	1.8993
Tangible/Public Utility Personal	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
Total Effective Voted Millage by Type of Property						
Residential/Agricultural	\$3.1000	\$3.1000	\$3.1000	\$3.1000	\$3.1000	\$3.0765
Commercial/Industrial	3.1000	3.0691	3.1000	3.0606	3.1000	3.0151
Tangible/Public Utility Personal	3.1000	3.1000	3.1000	3.1000	3.1000	3.1000
Total Weighted Average Tax Rate		\$3.0897		\$3.0869		\$3.0639
Overlapping Rates by Taxing District						
Cuyahoga County	\$14.0500	\$13.9495	\$13.2200	\$12.9968	\$13.2200	\$12.7846
Cities						
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	21.9000	21.9000
Bentleyville	8.9000	7.5028	8.9000	7.5004	8.9000	6.9159
Berea	16.8000	12.7590	16.8000	12.7570	17.2000	13.1350
Bratenahl	16.0000	16.0000	16.1000	15.2035	16.0000	15.4864
Brecksville	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100
Broadview Heights	10.4000	7.3266	10.4000	7.3255	9.4000	6.3164
Brook Park	4.7500	4.6694	4.7500	4.6681	4.7500	4.6466
Brooklyn	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000
Chagrin Falls	9.5000	9.1218	9.5000	9.1096	11.2000	11.1847
Cleveland	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
Cleveland Heights	12.9000	12.9000	13.0000	13.0000	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	7.2808	13.6000	7.2595	13.6000	6.3749
Fairview Park	11.8000	11.6106	11.8000	11.6092	11.8000	11.5770
Garfield Heights	27.0000	27.0000	27.0000	27.0000	24.3000	24.3000
Gates Mills	14.4000	12.9965	14.4000	12.9555	14.4000	12.7636
Glenwillow	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
Highland Hills	20.7000	10.9855	20.7000	10.9774	20.7000	11.8205
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	2.2000	2.2000	2.2000	2.2000
Lakewood	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000

2011		2010		2009		2008		2007	
Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾
\$0.0000	\$0.0000	\$1.6000	\$1.4222	\$1.6000	\$1.3115	\$1.6000	\$1.3100	\$1.6000	\$1.3095
0.0000	0.0000	1.6000	1.4651	1.6000	1.4580	1.6000	1.4544	1.6000	1.4599
0.0000	0.0000	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
\$1.2000	\$1.1765	\$1.2000	\$1.1751	\$1.2000	\$1.0836	\$1.2000	\$1.0824	\$1.2000	\$1.0820
1.2000	1.1158	1.2000	1.1163	1.2000	1.1109	1.2000	1.1082	1.2000	1.1123
1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000
\$1.9000	\$1.9000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
1.9000	1.8993	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.9000	1.9000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
\$3.1000	\$3.0765	\$2.8000	\$2.5973	\$2.8000	\$2.3951	\$2.8000	\$2.3924	\$2.8000	\$2.3915
3.1000	3.0151	2.8000	2.5814	2.8000	2.5689	2.8000	2.5626	2.8000	2.5722
3.1000	3.1000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
	\$3.0639		\$2.6596		\$2.5880		\$2.5850		\$2.5879
\$13.3200	\$12.8412	\$13.3200	\$12.8457	\$13.3200	\$12.6607	\$13.4200	\$11.8688	\$13.4200	\$11.8688
\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000	\$14.9000
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
21.7000	21.7000	21.7000	21.7000	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000
21.9000	21.9000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000
8.9000	7.4721	8.9000	7.4705	8.9000	7.4564	8.9000	7.4530	8.9000	7.4528
17.2000	13.1343	17.2000	13.1337	17.2000	13.0431	16.2000	12.0540	16.2000	12.0669
16.0000	15.9972	15.5000	12.9000	15.5000	14.1134	14.0000	11.6432	14.0000	10.9449
8.2100	8.2100	8.2100	8.2100	8.5000	8.5000	8.6000	8.6000	8.6000	8.6000
9.4000	6.3153	9.4000	6.3157	9.4000	6.2737	9.4000	6.2731	9.4000	6.2725
4.7500	4.6459	4.7500	4.6458	4.7500	4.6775	4.7500	4.6469	4.8000	4.6753
5.9000	5.9000	5.9000	5.9000	6.9000	6.9000	6.9000	6.9000	6.9000	6.9000
11.2000	11.1828	11.2000	11.2000	11.2000	8.8401	15.6000	13.2379	15.6000	13.2416
12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	13.0000	13.0000
4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
13.6000	6.3560	15.6000	6.8572	15.6000	6.5565	15.6000	6.5540	15.6000	6.5522
11.8000	11.5750	11.8000	11.5743	11.8000	11.5054	11.8000	11.5044	11.8000	11.5041
24.7000	24.7000	28.7000	28.7000	23.3000	23.3000	21.9000	21.9000	21.9000	21.9000
14.4000	12.7249	14.4000	12.7194	14.4000	12.1300	14.4000	12.0951	14.4000	12.0862
3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
20.7000	11.4924	20.7000	11.4894	20.7000	12.8525	20.7000	12.8036	20.7000	12.9625
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000
2.6000	2.6000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
17.4000	17.4000	17.4000	17.4000	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 Eight Years (1)

	2014		2013		2012	
	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾
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	15.5000	15.5000	15.5000
Mayfield	7.3000	4.2193	7.3000	4.2191	7.3000	4.1678
Mayfield Heights	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Middleburg Heights	5.4500	4.7065	5.4500	4.7062	5.4500	4.6881
Moreland Hills	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000
Newburg Heights	31.8000	30.5869	23.1000	23.1000	23.1000	22.7248
North Olmsted	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000
North Randall	4.8000	4.4577	4.8000	4.4577	4.8000	4.2230
North Royalton	8.2000	6.0491	8.2000	6.0451	8.2000	5.9175
Oakwood	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
Olmsted Falls	13.3500	10.3201	14.5000	11.6940	14.4500	11.1585
Orange	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000
Parma	7.1000	6.7841	7.1000	6.7819	7.1000	6.6287
Parma Heights	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Pepper Pike	9.5000	9.3947	9.5000	9.4655	9.5000	9.4933
Richmond Heights	18.1000	15.7130	18.1000	15.7356	18.1000	15.5444
Rocky River	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000
Seven Hills	11.2000	11.2000	9.7000	9.6644	9.5000	9.2063
Shaker Heights	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000
Solon	3.8000	3.6715	3.8000	3.6705	3.8000	3.6580
South Euclid	16.3500	16.1215	13.1000	13.1000	13.1000	13.1000
Strongsville	9.8000	7.7831	9.9000	7.4794	9.9000	7.4089
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	6.4212	9.7000	6.4193	9.7000	6.6205
Westlake	9.5200	9.5200	9.5200	9.5200	9.6000	9.6000
Woodmere	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000
Townships						
Chagrin Falls	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000
Olmsted	23.5000	14.0481	23.4000	14.0382	23.5000	13.8235
Special Districts						
Chagrin Falls Township Fire District	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000
Cleveland Heights Library	7.8000	5.9232	7.8000	5.9072	7.8000	5.7108
Cleveland Library	6.8000	6.3345	6.8000	6.3284	6.8000	6.2210
Cleveland Metro Parks	2.7500	2.7046	1.8500	1.7917	1.8500	1.7354
Cleveland Cuyahoga Port Authority	0.1300	0.1106	0.1300	0.1098	0.1300	0.1033
Cuyahoga County Library	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
East Cleveland Library	7.0000	6.8699	7.0000	6.8644	7.0000	6.4283
Euclid Library	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Lakewood Library	3.5000	2.5158	3.5000	2.5044	3.5000	2.3751
Rocky River Library	6.1000	5.0851	6.1000	5.0714	6.1000	5.0526
Shaker Heights Library	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Westlake Library	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000

2011		2010		2009		2008		2007	
Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾
\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000
11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.0000	11.0000
15.5000	15.4926	15.5000	15.5000	15.5000	15.5000	15.5000	14.7784	15.5000	14.7776
7.3000	4.1656	7.3000	4.1649	7.3000	4.1547	7.3000	4.1546	7.3000	4.1541
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
5.4500	4.6878	5.4500	4.6877	5.4500	4.6686	5.4500	4.6686	5.4500	4.6685
7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000
23.1000	22.6790	19.5000	17.9780	19.5000	16.8366	19.5000	16.8060	19.5000	16.7973
13.3000	13.3000	13.3000	13.3000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
4.8000	4.2148	4.8000	4.2131	4.8000	4.1723	4.8000	4.1714	4.8000	4.1692
8.2000	5.9129	8.2000	5.9117	8.2000	5.7698	8.2000	5.7708	8.2000	5.7741
3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
14.2500	10.9706	15.2000	9.9418	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	7.1000	7.1000	7.1000
7.1000	6.6274	7.1000	6.6267	7.1000	6.5166	7.1000	6.5160	5.1000	4.5157
10.0000	10.0000	10.0000	10.0000	10.2000	10.2000	10.2000	10.2000	10.2000	10.2000
9.5000	9.4989	9.5000	9.5000	9.5000	9.0676	9.5000	9.0548	9.5000	9.0533
18.1000	15.5394	17.0000	14.4382	17.0000	14.3041	17.0000	14.3033	14.0000	11.3082
10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000
9.2000	8.8225	9.2000	8.8251	9.2000	8.6128	9.2000	8.6075	9.3000	8.7096
9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000
3.9000	3.7565	3.9000	3.7563	4.1000	3.9417	4.1000	3.9411	4.1000	3.9405
13.1000	13.1000	14.9000	13.2321	14.9000	13.1066	14.7000	12.9048	14.7000	12.9037
9.9000	7.3637	9.9000	7.3603	9.9000	7.2089	10.1000	6.1886	10.1000	6.1981
13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
6.7000	6.7000	6.7000	6.7000	7.1000	5.3339	7.1000	5.3333	7.1000	5.3333
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
9.7000	5.5887	9.7000	5.5887	9.7000	5.4808	13.2000	6.5852	13.2000	6.5906
9.6000	9.6000	9.6000	9.6000	9.6000	9.6000	9.8000	9.8000	9.8000	9.8000
4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000
\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000
23.5000	13.8021	21.5000	11.7057	21.5000	11.0654	21.5000	11.0986	21.5000	11.0963
\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000	\$0.8000
7.8000	5.6651	7.8000	5.6651	7.8000	5.3894	5.9000	3.4793	5.9000	3.4762
6.8000	6.2177	6.8000	6.2168	6.8000	6.1703	6.8000	4.9006	6.8000	4.8883
1.8500	1.8106	1.8500	1.7249	1.8500	1.6698	1.8500	1.6720	1.8500	1.6715
0.1300	0.1029	0.1300	0.1027	0.1300	0.0947	0.1300	0.0946	0.1300	0.0946
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.0000	1.8086	2.0000	1.8093
7.0000	6.3968	7.0000	6.3814	7.0000	6.0101	7.0000	6.0080	4.0000	3.0034
4.0000	4.0000	3.5000	3.4743	3.5000	3.1234	3.5000	3.1204	3.5000	3.1185
3.5000	2.3552	3.5000	2.3537	3.5000	2.1997	3.5000	2.1935	3.5000	2.1904
6.1000	5.0286	6.1000	5.0245	6.1000	4.7476	6.1000	4.7376	6.1000	4.7368
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	3.1836	4.0000	3.1779
2.8000	2.7737	2.8000	2.8000	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 Eight Years (1)

	2014		2013		2012	
	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾
Joint Vocational Schools						
Cuyahoga Valley JVS	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
Polaris JVS	2.4000	2.3311	2.4000	2.3285	2.4000	2.3285
Schools						
Bay Village City	\$116.8100	\$55.3710	\$116.8100	\$55.2862	\$116.8100	\$55.2862
Beachwood City	86.4000	41.7664	86.4000	41.7386	86.4000	41.7386
Bedford City	70.8200	39.7646	71.3000	40.1211	71.3000	40.1211
Berea City	78.8000	44.7727	78.9000	44.8301	78.9000	44.8301
Brecksville-Broadview Heights City	77.2000	40.1206	77.2000	40.0657	77.2000	40.0657
Brooklyn City	60.1000	51.5968	48.7000	40.1574	48.7000	40.1574
Chagrin Falls Exempted Village	115.6000	54.4484	115.6000	54.2652	115.6000	54.2652
Cleveland Heights - University Heights City	149.5900	80.3810	143.7000	74.3049	143.7000	74.3049
Cleveland Municipal	79.8000	52.4272	79.8000	52.1165	79.8000	52.1165
Cuyahoga Heights Local	35.7000	29.9081	35.7000	29.8753	35.7000	29.8753
East Cleveland City	94.1000	49.1233	94.1000	48.8796	94.1000	48.8796
Euclid City	100.7000	74.7478	98.4000	72.2593	98.4000	72.2593
Fairview Park City	96.4700	57.0551	97.7000	58.2264	97.7000	58.2264
Garfield Heights City	78.2600	71.0127	74.2600	66.8432	74.2600	66.8432
Independence Local	36.0000	34.5646	35.2000	33.7028	35.2000	33.7028
Lakewood City	123.2300	66.5450	115.4000	58.5508	115.4000	58.5508
Maple Heights City	81.2000	65.6009	78.8000	63.1265	78.8000	63.1265
Mayfield City	84.2200	47.5784	84.2200	47.5219	84.2200	47.5219
North Olmsted City	91.4000	55.2378	91.4000	55.2266	91.4000	52.5975
North Royalton City	65.7000	41.8733	65.7000	41.5099	65.7000	41.0277
Olmsted Falls City	102.2000	56.7414	102.2000	56.6655	102.2000	56.6655
Orange City	91.1000	47.2718	91.1000	47.1990	91.1000	47.1990
Parma City	75.7000	54.7813	74.1000	53.1403	74.1000	53.1403
Richmond Heights Local	87.9000	51.6553	87.9000	51.5573	87.9000	51.5573
Rocky River City	89.5500	49.5067	89.4500	49.3321	89.4500	49.3321
Shaker Heights City	179.9300	91.7270	180.1300	91.8009	180.1300	91.8009
Solon City	82.2000	49.6144	82.2000	49.5169	82.2000	49.5169
South Euclid-Lyndhurst City	107.4000	66.5513	107.4000	66.4279	107.4000	66.4279
Strongsville City	81.6800	41.8543	81.6800	41.8388	81.6800	41.8388
Warrensville City	91.8000	64.1855	89.1000	61.4471	89.1000	61.4471
Westlake City	70.1000	37.3110	70.1000	37.2584	70.1000	37.2584

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.

⁽¹⁾ Information prior to 2007 was not available.

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

2011		2010		2009		2008		2007	
Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾
\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
2.4000	2.1821	2.4000	2.0076	2.4000	2.0000	2.4000	2.0000	2.4000	2.0000
\$114.9500	\$52.9108	\$108.8500	\$46.7716	\$108.8500	\$45.8465	\$108.8500	\$45.7500	\$109.6500	\$46.5149
86.4000	41.0169	83.9000	38.4659	83.9000	36.3519	82.3000	34.7835	82.3000	34.8002
72.5000	38.6990	72.5000	38.6966	67.6000	30.9966	67.6000	31.0146	67.6000	31.0134
74.9000	38.5574	75.0000	38.6450	74.9000	35.9563	74.9000	35.9966	74.9000	36.0527
77.2000	39.1176	77.3000	39.1700	77.1000	37.2338	77.1000	37.1756	77.2000	37.2513
47.2000	34.2129	47.0000	35.0838	46.4000	32.9276	39.5000	26.0149	39.5000	26.0062
107.7000	47.3264	108.6000	48.2245	108.6000	47.8160	108.3000	47.4618	100.4000	39.6005
136.8000	64.3156	136.8000	64.1928	136.7000	60.2978	136.7000	60.1573	129.6000	53.0145
64.8000	31.5069	64.8000	31.4601	64.8000	29.0766	64.8000	29.0506	64.8000	29.0028
28.8000	22.4628	29.0000	22.6478	28.9000	22.4516	28.9000	22.4422	28.8000	22.3479
93.0000	39.9056	92.5000	39.2650	92.1000	35.4764	92.1000	35.4561	92.1000	35.4148
89.9000	54.4667	89.9000	54.4663	85.2000	46.1446	78.2000	39.1132	78.2000	39.0934
97.6000	56.7442	97.4000	56.5150	96.1000	51.9219	96.0000	51.7746	95.6000	51.3583
56.3000	42.1197	56.5000	42.3215	54.6000	40.1189	54.5000	40.0213	54.5000	40.0080
31.9000	29.8969	32.0000	30.0066	31.4000	29.2735	31.5000	29.3471	31.5000	28.5896
115.4000	56.4020	107.9000	48.8809	107.2000	45.9650	106.9000	45.5754	106.6000	45.2304
71.9000	47.4149	71.9000	47.4149	63.4000	37.4302	62.9000	36.1949	62.9000	36.9111
74.2000	49.7767	78.3200	40.0985	78.3200	38.1502	71.4200	31.2351	71.7000	31.5673
91.4000	52.5281	83.5000	44.5988	83.5000	41.1735	83.5000	41.1462	77.0000	34.6098
65.8000	41.0839	65.5000	41.1462	58.8000	33.7000	59.6000	34.5000	59.8000	34.6999
101.7000	54.1712	93.0000	45.4561	91.9000	41.6942	91.8000	41.6553	89.8000	39.6874
86.1000	41.8247	86.0000	41.6958	86.0000	40.1499	86.0000	40.0270	86.0000	40.0179
66.1000	42.4584	66.0000	42.3449	65.1000	38.8681	61.4000	35.1460	64.7000	38.4394
82.6000	41.3640	82.6000	41.3343	78.6000	33.6185	78.6000	33.5915	78.6000	33.7406
84.3000	43.9489	82.7000	42.3267	82.7000	40.8212	77.1000	35.1664	77.2000	35.2625
180.1300	85.7364	170.6000	76.1047	170.6000	71.0032	170.3000	70.4688	170.3000	70.3573
82.2000	48.1861	75.5000	41.4665	75.3000	39.9335	75.3000	39.8732	75.3000	39.8195
101.6000	55.3403	101.6000	55.2645	101.5000	50.6368	96.2000	45.2685	96.3000	45.3339
81.1900	40.2545	81.2000	40.3511	81.2000	38.2267	81.3000	38.3385	74.8000	31.9410
89.5000	51.1160	90.8000	51.9727	90.1000	49.6729	90.1000	49.6674	90.2000	49.8122
70.1000	36.6681	66.7000	33.2708	66.5000	31.7454	66.5000	31.7267	66.5000	31.7280

Cuyahoga Community College

Principal Taxpayers

2013 and Seven Years Ago ⁽¹⁾

Taxpayer	Tax Year 2013	
	Assessed Value	Percent of Real Property Assessed Value
Cleveland Electric Illuminating Company	\$632,392,720	2.28%
Cleveland Clinic Foundation	278,199,150	1.00
City of Cleveland	112,711,920	0.41
East Ohio Gas	101,997,810	0.37
Cuyahoga County	81,381,930	0.29
Key Center Properties LLC	80,559,150	0.29
Southpark Mall LLC	75,587,220	0.27
Beachwood Place LTD	74,251,700	0.27
American Transmission System	74,149,070	0.27
University Hospital Health Systems	71,152,880	0.26
Totals	\$1,582,383,550	5.71%
Total Assessed Valuation	\$27,694,841,450	
Taxpayer	Tax Year 2007	
	Assessed Value	Percent of Real Property Assessed Value
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
Totals	\$1,222,450,010	3.69%
Total Assessed Valuation	\$33,158,045,000	

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

Note: The 2013 taxpayers were selected based solely upon review of the 200 taxpayers of real, personal and public utility property with the highest assessed valuation. The 2007 taxpayers were selected based on a review of the 200 taxable parcels of real, personal and public utility property with the highest assessed valuation.

⁽¹⁾ Information before 2007 was not available.

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Cuyahoga Community College
Property Tax Levies and Collections ⁽¹⁾
Last Ten Years (Dollars in Thousands)

Collection Year ⁽²⁾	Total Current Levy ⁽³⁾	Current Collections	Percentage of Current Tax Collections to Tax Levy	Delinquent Current	Total Tax Collections ⁽⁴⁾
2013	\$85,526	\$78,531	91.8%	\$3,536	\$82,067
2012	91,617	82,694	90.3	4,317	87,011
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: ⁽¹⁾ Includes Homestead/Rollback taxes assessed locally, but distributed through the State. The amounts above represent collections relative to the tax levy, and will not match amounts presented in the financial statements.

⁽²⁾ The 2014 information cannot be presented because all collections have not been made by June 30, 2014.

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

⁽⁴⁾ The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
96.0%	\$17,343	20.3%
95.0	19,657	21.5
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

Fiscal Year	Tuition and Fees Per Credit Hour	Annual Cost Per Full-time Student ⁽¹⁾	Increase (Decrease)	
			Dollars	Percent
2014	\$101.21	\$3,036.30	\$99.90	3.40%
2013	97.88	2,936.40	199.80	7.30
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		

Source: College Records and Student Business Services.

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

Cuyahoga Community College

Ratio of Debt per Student

Last Ten Fiscal Years

Fiscal Year	Fixed Rate Bonds	Tax Anticipation Notes	Certificates of Participation	Capital Leases	Total Debt	Debt per Student ⁽¹⁾	Debt per Capita ⁽²⁾	Debt as % of Total Estimated Actual Value of Taxable Property
2014	\$123,790,193	\$0	\$7,596,371	\$21,361,753	\$152,748,317	5,635.64	N/A	1.97%
2013	129,257,260	0	8,214,997	19,668,927	157,141,184	5,182.41	124.40	2.02
2012	134,534,328	0	8,813,622	23,737,849	167,085,799	5,311.22	131.97	1.99
2011	139,091,603	0	9,392,248	25,024,632	173,508,483	5,473.63	136.59	2.08
2010	143,918,977	0	9,955,873	25,724,268	179,599,118	6,008.27	140.30	1.79
2009	149,561,351	0	0	28,557,944	178,119,295	6,838.12	139.62	1.80
2008	27,211,243	20,932,655	0	31,306,018	79,449,916	3,284.82	61.93	0.81
2007	44,526,087	0	0	12,867,122	57,393,209	2,314.62	44.29	0.65
2006	45,555,932	0	0	17,418,669	62,974,601	2,483.42	47.92	0.71
2005	46,560,777	0	0	18,279,370	64,840,147	2,571.59	48.74	0.77

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.

⁽¹⁾ Calculated based on total debt amount divided by historical enrollment from S-30.

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

Cuyahoga Community College
General Receipt Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Gross General Receipts ⁽¹⁾	Related Expenses ⁽²⁾	Net General Receipts	Debt Service Requirements ⁽³⁾			Coverage Ratio
				Principal	Interest	Total	
2014	\$76,182,112	\$14,488,750	\$61,693,362	\$5,235,000	\$5,951,025	\$11,186,025	5.5
2013	71,665,948	15,328,360	56,337,588	5,045,000	5,809,141	10,854,141	5.2
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

Source: College financial records.

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

⁽¹⁾ General Receipts pledged to the security and payment of the Bonds include all the receipts of the College, except monies raised by taxation (State and local) and State appropriations until and unless their pledge to Bond Services Charges is authorized by law (not anticipated to occur) and is made by a supplemental trust agreement; any grants, gifts, 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).

⁽²⁾ Related Expenses for Auxiliary Enterprises operations must be netted from General Receipts.

⁽³⁾ The debt service requirements above include the General Receipts Series A, C, and D bonds.

Cuyahoga Community College
Demographic and Economic Statistics
Last Ten Years

Year	Population	Total Personal Income (In Thousands)	Personal Income Per Capita	Cuyahoga County Unemployment Rate	Total Assessed Property Value⁽¹⁾ (In Thousands)
2013	1,263,154	n/a	n/a	7.5 %	\$ 27,694,841
2012	1,266,049	\$58,299,020	\$46,082	7.9	27,652,473
2011	1,270,294	56,004,722	44,088	8.0	29,796,655
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	30,647,570

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

Note: Total personal income not available for 2013.
2014 information not available.

⁽¹⁾Based on collection year.

Cuyahoga Community College
Principal Employers
(Ranked by the Number of Full-Time Equivalent Employees)
2014 and Nine Years Ago

2014		
Employer ⁽¹⁾	Employees	Percent of Total County Employment
Cleveland Clinic Health System	34,658	5.8%
University Hospitals Health System	17,856	3.0
U.S. Office of Personnel Management	14,059	2.4
Giant Eagle, Inc.	9,400	1.6
Progressive Corporation	9,001	1.5
Group Management Services, Inc.	8,813	1.5
State of Ohio	8,340	1.4
Cuyahoga County	7,776	1.3
Cleveland Metropolitan School District	6,953	1.2
City of Cleveland	6,757	1.1
Totals	<u>123,613</u>	<u>20.8%</u>
Total Employment within the County	<u>593,400</u>	

2005 ⁽²⁾		
Employer	Employees	Percent of Total County Employment
Cleveland Clinic Health System	27,755	4.4%
University Hospitals Health System	16,611	2.6
U.S. Office of Personnel Management	9,916	1.6
Cuyahoga County	9,142	1.5
Progressive Corporation	9,017	1.4
City of Cleveland	8,136	1.3
Cleveland Metropolitan School District	7,472	1.2
Key Corporation	6,397	1.0
National City Corporation	6,051	1.0
MetroHealth System	5,503	0.9
Totals	<u>106,000</u>	<u>16.9%</u>
Total Employment within the County	<u>627,200</u>	

Source: Crain's Cleveland Business

⁽¹⁾ Employers listed are exclusively or essentially located in Cuyahoga County.

⁽²⁾ Information prior to 2005 is unavailable.

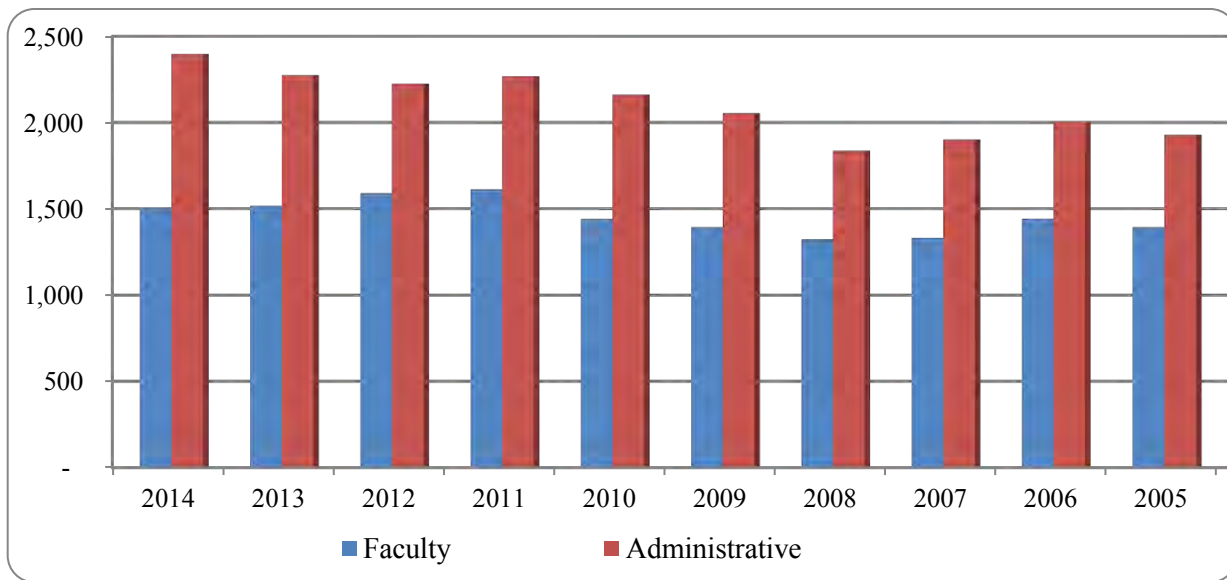
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Cuyahoga Community College

Employee Statistics

Last Ten Fiscal Years

	2014	2013	2012	2011	2010
Faculty					
Part-time	1,100	1,116	1,197	1,217	1,062
Full-time	404	401	393	395	379
Total Faculty	<u>1,504</u>	<u>1,517</u>	<u>1,590</u>	<u>1,612</u>	<u>1,441</u>
Administrative and Support Staff	<u>2,397</u>	<u>2,274</u>	<u>2,225</u>	<u>2,268</u>	<u>2,161</u>
Total Employees	<u><u>3,901</u></u>	<u><u>3,791</u></u>	<u><u>3,815</u></u>	<u><u>3,880</u></u>	<u><u>3,602</u></u>
Students per Faculty Member	18	20	20	20	21
Students per Staff Member	11	13	14	14	14



Source: College Records - Human Resource Department.

2009	2008	2007	2006	2005
1,007	940	948	1,069	1,017
386	384	383	373	376
<u>1,393</u>	<u>1,324</u>	<u>1,331</u>	<u>1,442</u>	<u>1,393</u>
2,054	1,836	1,901	2,001	1,929
<u>3,447</u>	<u>3,160</u>	<u>3,232</u>	<u>3,443</u>	<u>3,322</u>
19	18	19	18	18
13	13	13	13	13

Cuyahoga Community College

Historical Headcount

Last Ten Fiscal Years

Fiscal Year Fall Semester Headcount⁽¹⁾					
Major/Program	2014	2013	2012	2011	2010
Health Careers	3,723	4,209	4,182	4,881	4,381
Nursing	3,420	4,363	4,706	4,708	3,823
Business	5,360	5,425	5,436	5,329	4,586
Engineering	908	1,223	1,151	1,303	1,296
Public Service	1,510	2,249	2,308	2,318	2,076
Applied Industrial Technology/ Associate of Technical Study	838	525	740	376	812
Associate of Arts/ Associate of Science	8,737	8,230	7,419	6,858	9,349
Creative Arts ⁽²⁾	999	1,329	1,528	1,679	0
Certificate Programs	993	1,575	1,080	1,194	1,406
Other	616	1,194	2,909	3,053	2,163
Total	27,104	30,322	31,459	31,699	29,892
Major/Program	2009	2008	2007	2006	2005
Health Careers	3,649	3,234	3,117	3,173	3,118
Nursing	3,298	2,817	2,908	3,064	2,857
Business	4,173	3,685	3,844	4,080	4,341
Engineering	1,633	1,379	1,323	1,182	1,065
Public Service	2,023	1,634	1,605	1,736	1,750
Applied Industrial Technology/ Associate of Technical Study	381	708	627	153	191
Associate of Arts/ Associate of Science	8,244	8,236	8,531	9,014	8,851
Creative Arts ⁽²⁾	0	0	0	0	0
Certificate Programs	1,096	878	1,070	1,198	1,049
Other	1,551	1,616	1,771	1,758	1,992
Total	26,048	24,187	24,796	25,358	25,214

Source: College Records - Institutional Research.

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

⁽²⁾ Before 2011, Creative Arts was not its own category, and its students were included in several other areas, including Business and Associate of Arts.

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Cuyahoga Community College

Graduation Statistics

Last Eight Fiscal Years ⁽¹⁾

	2014		2013		2012	
	Count	Percent	Count	Percent	Count	Percent
Native American	22	0.66 %	15	0.54 %	9	0.36 %
Black	834	25.14	677	24.32	639	25.63
Asian	99	2.98	90	3.23	54	2.17
Hispanic	107	3.22	91	3.27	74	2.97
White	2,088	62.93	1,787	64.19	1,578	63.29
Other	54	1.63	39	1.40	46	1.85
Unknown	114	3.44	85	3.05	93	3.73
Total	3,318	100.00 %	2,784	100.00 %	2,493	100.00 %
Age						
<20	81	2.44 %	58	2.08 %	52	2.09 %
20-24	1,024	30.86	783	28.12	689	27.63
25-29	684	20.61	584	20.98	516	20.70
30-34	425	12.81	403	14.48	375	15.04
35-39	343	10.34	284	10.20	249	9.99
40-59	723	21.79	645	23.17	592	23.75
>60	38	1.15	27	0.97	20	0.80
Total	3,318	100.00 %	2,784	100.00 %	2,493	100.00 %
Average Age	31.8		32.2		32.3	
Sex						
Female	2,217	66.82 %	1,851	66.49 %	1,759	70.56 %
Male	1,101	33.18	933	33.51	734	29.44
Total	3,318	100.00 %	2,784	100.00 %	2,493	100.00 %
Degree Type						
Associate of Arts	1,202	36.23 %	869	31.21 %	658	26.39 %
Associate of Applied Business	440	13.26	397	14.26	372	14.92
Associate of Applied Science	979	29.51	935	33.58	908	36.43
Associate of Science	173	5.21	138	4.96	117	4.69
Associate of Technical Science	13	0.39	6	0.22	14	0.56
Certificate	183	5.52	154	5.53	151	6.06
Post-Degree Certificate	66	1.99	84	3.02	66	2.65
Short Term Certificate	262	7.90	201	7.22	207	8.30
Total	3,318	100.00 %	2,784	100.00 %	2,493	100.00 %

Source: College Records - Institutional Research.

⁽¹⁾ Information prior to fiscal year 2007 is not available.

2011		2010		2009		2008		2007	
Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
15	0.62 %	8	0.36 %	6	0.33 %	6	0.31 %	4	0.23 %
581	23.83	550	25.08	459	25.40	500	26.03	463	26.46
82	3.36	64	2.92	47	2.60	59	3.07	60	3.43
77	3.16	59	2.69	42	2.32	62	3.23	55	3.14
1,572	64.48	1,445	65.89	1,191	65.92	1,240	64.55	1,121	64.06
30	1.23	41	1.87	18	1.00	28	1.46	27	1.54
81	3.32	26	1.19	44	2.43	26	1.35	20	1.14
<u>2,438</u>	<u>100.00 %</u>	<u>2,193</u>	<u>100.00 %</u>	<u>1,807</u>	<u>100.00 %</u>	<u>1,921</u>	<u>100.00 %</u>	<u>1,750</u>	<u>100.00 %</u>
47	1.93 %	31	1.41 %	43	2.38 %	47	2.45 %	45	2.57 %
735	30.15	603	27.50	496	27.46	554	28.83	462	26.39
494	20.26	491	22.39	398	22.03	388	20.20	368	21.03
338	13.86	320	14.59	263	14.55	264	13.74	252	14.40
261	10.71	225	10.26	203	11.23	204	10.62	222	12.69
543	22.27	504	22.98	392	21.69	455	23.69	385	22.00
20	0.82	19	0.87	12	0.66	9	0.47	16	0.91
<u>2,438</u>	<u>100.00 %</u>	<u>2,193</u>	<u>100.00 %</u>	<u>1,807</u>	<u>100.00 %</u>	<u>1,921</u>	<u>100.00 %</u>	<u>1,750</u>	<u>99.99 %</u>
31.8		31.9		32.1		32.1		32.1	
1,758	72.11 %	1,562	71.23 %	1,303	72.11 %	1,388	72.25 %	1,294	73.94 %
680	27.89	631	28.77	504	27.89	533	27.75	456	26.06
<u>2,438</u>	<u>100.00 %</u>	<u>2,193</u>	<u>100.00 %</u>	<u>1,807</u>	<u>100.00 %</u>	<u>1,921</u>	<u>100.00 %</u>	<u>1,750</u>	<u>100.00 %</u>
834	34.21 %	653	29.78 %	534	29.55 %	566	29.46 %	494	28.23 %
331	13.58	306	13.95	289	15.99	316	16.45	263	15.03
750	30.75	758	34.56	639	35.37	717	37.33	694	39.67
106	4.35	135	6.16	92	5.09	83	4.32	102	5.83
8	0.33	17	0.78	21	1.16	4	0.21	10	0.57
141	5.78	128	5.84	122	6.75	157	8.17	145	8.29
65	2.67	40	1.82	36	1.99	38	1.98	34	1.94
203	8.33	156	7.11	74	4.10	40	2.08	8	0.46
<u>2,438</u>	<u>100.00 %</u>	<u>2,193</u>	<u>100.00 %</u>	<u>1,807</u>	<u>100.00 %</u>	<u>1,921</u>	<u>100.00 %</u>	<u>1,750</u>	<u>100.02 %</u>

Cuyahoga Community College

Capital Asset Information

Last Eight Fiscal Years ⁽¹⁾

Location	2014	2013	2012
District Administration Building			
Total Square Footage	45,819	45,819	45,819
Total Acreage	2.3	2.3	2.3
Eastern Main Campus			
Total Square Footage	607,067	607,067	607,067
Total Acreage	202.8	202.8	202.8
Metropolitan Campus			
Total Square Footage	1,359,468	1,359,468	1,309,902
Total Acreage	51.7	51.7	51.7
Western Campus			
Total Square Footage	685,597	685,597	685,597
Total Acreage	193.3	193.3	194.3
Westshore Campus			
Total Square Footage	77,648	77,648	77,648
Total Acreage	49.6	49.6	43.8
Brunswick University Center			
Total Square Footage	31,888	31,888	31,888
Total Acreage	1.0	1.0	1.0
Jerry Sue Thornton Center			
Total Square Footage	72,350	72,350	72,350
Total Acreage	3.9	3.9	3.9
Corporate College West			
Total Square Footage	104,202	104,202	104,202
Total Acreage	14.3	14.3	14.3
Corporate College East			
Total Square Footage	107,000	107,000	107,000
Total Acreage	18.7	18.7	18.7
Total Square Footage	3,091,039	3,091,039	3,041,473
Total Acreage	537.6	537.6	532.8
Dining			
Dining - Seating Capacity	980	980	980
Number of Vehicles			
Private Passenger	39	39	42
Light Trucks	23	23	18
Medium Trucks	21	21	20
Heavy Trucks	3	3	3
Extra Heavy Trucks	4	4	4
Trailers	10	10	10
School Buses	2	2	2
Fire Trucks	2	2	2
Motorcycles	0	0	2
Total Vehicles	104	104	103
Parking Capacity			
Metro	1,864	1,864	1,864
District	204	204	0
Jerry Sue Thornton Center	334	334	334
East	1,872	1,872	1,872
Brunswick	365	365	365
Westshore	466	466	466
West	3,204	3,204	3,204
Total Parking Capacity	8,309	8,309	8,105

Source: College Records.

⁽¹⁾ Information prior to fiscal year 2007 is not available.

2011	2010	2009	2008	2007
45,819	45,819	45,819	45,819	45,819
2.5	2.5	2.5	2.5	2.5
574,447	512,796	512,796	512,796	512,796
202.8	202.8	202.8	202.8	96.2
1,284,748	1,276,958	1,276,958	1,201,998	1,201,998
51.7	51.7	51.7	51.7	51.7
685,597	685,597	685,597	685,597	648,525
194.3	227.3	227.3	227.3	194.3
77,648	0.0	0.0	0.0	0.0
33.0	0.0	0.0	0.0	0.0
31,888	0.0	0.0	0.0	0.0
1.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0
104,202	104,202	104,202	104,202	104,202
14.3	14.3	14.3	14.3	14.3
107,000	107,000	107,000	107,000	107,000
18.7	18.7	18.7	18.7	18.7
2,911,349	2,732,372	2,732,372	2,657,412	2,620,340
518.2	517.3	517.3	517.3	377.7
952	952	952	952	952
40	39	35	32	32
20	19	18	17	17
21	18	16	16	16
3	2	4	2	2
4	4	4	4	0
9	9	8	6	2
1	0	0	0	0
2	2	2	2	2
2	2	2	2	3
102	95	89	81	74
1,864	1,660	1,595	1,585	1,585
105	105	106	105	105
0	0	0	0	0
1,615	1,615	1,615	1,574	1,574
87	0	0	0	0
466	0	0	0	0
3,262	3,262	3,262	3,215	3,215
7,399	6,642	6,578	6,479	6,479

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Cuyahoga Community College

**Single Audit Reports
For the Fiscal Year Ended June 30, 2014**

Cuyahoga Community College
Cuyahoga County, Ohio
For the Fiscal Year Ended June 30, 2014
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**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Board of Trustees
Cuyahoga Community College
Cleveland, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the Cuyahoga Community College (the "College"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 20, 2014, wherein we noted that the College implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and restated their June 30, 2013 net position of the business-type activities, as disclosed in Note 1.

Internal Control over Financial Reporting

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

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

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

Board of Trustees
Cuyahoga Community College

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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

Cini & Parichi, Inc.

Cleveland, Ohio
November 20, 2014

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by OMB Circular A-133**

Board of Trustees
Cuyahoga Community College
Cleveland, Ohio

Report on Compliance for Each Major Federal Program

We have audited the Cuyahoga Community College's (the "College") 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 the College's major federal programs for the year ended June 30, 2014. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the College's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Board of Trustees
Cuyahoga Community College

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the business-type activities and the discretely presented component unit of the College as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated November 20, 2014, wherein we noted that the College implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and restated their June 30, 2013 net position of the business-type activities, as disclosed in Note 1, and which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Cini & Parichi, Inc.

Cleveland, Ohio
November 20, 2014

Cuyahoga Community College
 Cuyahoga County, Ohio
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2014

<u>Federal Agency/Pass Through Agency/Program Title</u>	<u>Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Education:			
Direct Recipient:			
Student Financial Aid Cluster			
Federal Pell Grant Program		84.063	\$ 52,394,581
Federal Supplemental Education Opportunity Grant		84.007	796,456
Federal Direct Student Loans		84.268	44,953,772
Federal Perkins Loan Program		84.038	317,325
Federal Work-Study Program		84.033	712,083
Total Student Financial Aid Cluster			<u>99,174,217</u>
Trio Cluster:			
Upward Bound Math and Science		84.047M	243,435
Upward Bound		84.047A	380,909
Veterans Upward Bound		84.047V	272,165
Student Support Services		84.042A	478,023
Educational Talent Search		84.044A	615,469
Education Opportunity Center		84.066A	367,935
Total Trio Cluster			<u>2,357,936</u>
Academic Competitiveness Grant		84.375	3,750
Real-time Writers		84.116K	64,448
Real-time Writers Mentoring Project		84.116K	11,098
Student and Faculty Success through Distance Learning		84.031A	359,557
Passed through Cleveland State University:			
Transfer Connection Program	P031A090152	84.031A	198,062
Passed through the Ohio Board of Regents:			
Adult Basic and Literacy Education		84.002	1,615,301
Adult Basic and Literacy Education — EL/Civics		84.002	229,395
Passed through the Ohio Department of Education:			
Educational Opportunity Programs		84.048	60,565
Vocational Education — Access		84.048	249,363
Vocational Education — Minority Male Initiative		84.048	5,839
Vocational Education — Student Support Services		84.048	59,138
Vocational Education — Women in Transition		84.048	116,384
Veterans		84.048	28,414
Passed through University of Toledo:			
The Partner Project	F-2103-24	84.325N	<u>8,508</u>
Total U.S. Department of Education			104,541,975

(Continued)

Cuyahoga Community College
 Cuyahoga County, Ohio
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2014

<u>Federal Agency/Pass Through Agency/Program Title</u>	<u>Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services:			
Direct Recipient:			
National Institutes of Health - Bridges to Success in the Sciences	2 R25 GM49010	93.859	92,740
Midwest HIT Consortium — ARRA		93.721	260,077
Total U.S. Department of Health and Human Services			352,817
U.S. Department of Labor:			
Direct Recipient:			
Engineering Innovation: Enhancing Additive Manufacturing Curricula		17.282	340,648
H-1B Technical Skills		17.268	725,857
Passed through Cuyahoga County, Ohio and City of Cleveland, Ohio:			
Youth Technology Academy (YTA)		17.259	562,777
Youth Technology Academy (YTA) — Connect the Dots		93.714	134,265
Passed through Anne Arundel Community College:			
Trade Adjustment Assistance Program	TC-22520-11-60-A-24	17.282	249,845
Total U.S. Department of Labor			2,013,392
U.S. Department of Agriculture:			
Passed through the National Resource Conservation Service:			
Outreach Youth Project	68-5E34-12-037	10.902	18,700
U.S. Department of Defense:			
Passed through Central State University:			
HBCU Center of Excellence in Education		12.630	20,949
U.S. Department of Energy:			
Passed through the Ohio Department of Development:			
Smart Grid — ARRA	DE-0E0000448	81.122	5,600
U.S. Department of Justice:			
Direct Recipient:			
Bulletproof Vest Partnership		16.607	5,100
National Aeronautics and Space Administration:			
Passed through Paragon TEC, Inc.:			
SEMAA		43.001	86,911
Summer of Innovation	D-12-PC-001	43.001	29,372
Passed through FIRST:			
FIRST Robotics Competition		43.001	835
Total National Aeronautics and Space Administration			117,118

(Continued)

Cuyahoga Community College
 Cuyahoga County, Ohio
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2014

<u>Federal Agency/Pass Through Agency/Program Title</u>	<u>Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
National Endowment for the Arts:			
Direct Recipient:			
JazzFest 2014		45.024	20,000
Passed through Arts Midwest:			
Eisenhower Dance Ensemble	FY14-198897	45.025	<u>2,000</u>
Total National Endowment for the Arts			22,000
National Science Foundation:			
Direct Recipient:			
Youth Technology Academy: Pathway to Technology Degrees		47.076	245,875
STEM Academy for Youth featuring Youth Essential Skills		47.076	98,555
Passed through Ohio State University:			
The Ohio LSAMP Alliance	60042097-TRIC	47.076	<u>580</u>
Total National Science Foundation			<u>345,010</u>
Total Expenditures of Federal Awards			<u>\$ 107,442,661</u>

Cuyahoga Community College
 Cuyahoga County, Ohio
 Notes to Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2014

Note 1 – Basis of Presentation

The accompany Schedule of Expenditures of Federal Awards (the “Schedule”) reflects the expenditures of Cuyahoga Community College (the “College”) under programs financed by U.S. Government for the year ended June 30, 2014. The Schedule has been prepared using the accrual basis of accounting.

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

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

All programs are presented by federal agency. Pass-through programs are also presented by the entity through which the College received the federal award. Catalog of Federal Domestic Assistance (“CFDA”) Numbers and Pass-Through Numbers are presented for those programs for which such numbers are available.

Note 2 – Federal Loan Programs

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

	<u>CFDA Number</u>	<u>Outstanding Balance June 30, 2014</u>
Federal Perkins Loan Program	84.038	\$ <u><u>317,325</u></u>

Cuyahoga Community College

Cuyahoga County, Ohio

Schedule of Findings

OMB Circular A-133 Section .505

For the Fiscal Year Ended June 30, 2014

1. Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs	<p>Student Financial Aid Cluster: CFDA # 84.063, 84.007, 84.268, 84.038, 84.033</p> <p>Adult Basic and Literacy Education: CFDA# 84.002</p> <p>Youth Technology Academy, STEM Academy for Youth and Ohio LSAMP Alliance: CFDA# 47.076</p>
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Others
(d)(1)(ix)	Low Risk Auditee?	Yes

2. Findings Related to the Financial Statements Required To Be Reported In Accordance With GAGAS

None noted.

3. Findings for Federal Awards

None noted.



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
DECEMBER 30, 2014**