Cuyahoga Community College

Cleveland, Ohio

Comprehensive Annual Financial Report

For the Fiscal Years Ended June 30, 2017 and 2016

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

We have reviewed the *Independent Auditor's Report* of the Cuyahoga Community College, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period July 1, 2016 through June 30, 2017. 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.

Dave Yost

Dave Yost
Auditor of State

December 12, 2017

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Cuyahoga Community College

Cleveland, Ohio

Prepared by

Administration and Finance Division

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December 6, 2017

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, 2017 and 2016.

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 (GASB) 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards*. Audits are performed 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 performed under certain federal program requirements. Annual financial reports are prepared by the College, and filed as required by Ohio Administrative Code Section 126:3-1 with the State Auditor no later than October 31st of each year.

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

Profile of Cuyahoga Community College

Reporting Entity

Cuyahoga Community College is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). According to GASB Statement No. 14, and amended by GASB 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 discretely presented as a component unit of the College while the financial activity of Strengthening Opportunities for Success, Inc. is presented as a blended component in accordance with GASB Statement No. 61. The College is not included in any other governmental financial reporting entity.

A nine-member Board of Trustees governs the College in all policy matters of the College requiring attention or action, and is charged with fulfilling the goals set forth in the College Mission Statement. Six trustees are appointed by the Cuyahoga County Executive, subject to confirmation by the Cuyahoga County Council which is an 11-member body elected by the residents of our neighborhoods, and is a link between government agencies and citizens. Three trustees are appointed by the Governor. All appointments are for five-year terms or the remainder of vacated terms. The administrative direction of the College has been delegated by the Board of Trustees to the President and administrative staff. The administrative staff is appointed by the President subject to Board approval.

History

Cuyahoga Community College opened its doors on September 23, 1963 in Cleveland, Ohio making it Ohio's first community college, offering two-year Associates degrees. Though Cleveland already boasted a number of highly regarded colleges and universities for students of privilege, Tri-C emerged as the educational champion for local students who were previously excluded from any real chance at post-secondary education. From initial enrollment of 3,000 students in its first academic term, today, Cuyahoga Community College (Tri-C) serves more than 55,000 credit and non-credit students each year and thus remains Ohio's oldest and largest public community college.

From its first home in the 10,500 square-foot, leased Brownell Building to Tri-C's present day College-wide operations which includes over 3.1 million square feet of building space and over 550 acres of ground, Tri-C continues to invest in our students and our community by providing facilities that meet its educational and technological needs. With four traditional campuses (Eastern, Western, Metropolitan and Westshore), two Corporate College® locations, our satellite campus at the Brunswick University Center, the Manufacturing Technology Center (MTC), the Advanced Technology Training Center (ATTC), the Hospitality Management Center at Public Square, the District Administrative Offices in downtown Cleveland, the Jerry Sue Thornton Center, the Gill and Tommy LiPuma Center for Creative Arts, the Truck Driving Academy and our new Mobile Training Unit, the College continues to provide high quality, accessible and affordable educational opportunities that promote individual development as well as improve the overall quality of life in our multi-cultural community. Over its 54-year history, Cuyahoga Community College has served more than 900,000 members of our community.

Cuyahoga Community College provides top quality education and flexible learning options at the lowest tuition in Northeast Ohio and among the lowest of all colleges in Ohio. Efforts to provide accessible and affordable education include student loans, work study, scholarships and a multitude of grant-funded programs. In partnership with many local schools, the College offers College Credit Plus (CCP) programs to qualifying students.

The College's vision and strategies remain focused on student success and completion along with reframing the student experience to include first and second year experience programs designed to reduce the time students invest in finishing their degree. Many of these initiatives showcase a strong partnership among our extraordinary faculty and staff to assist our students to achieve their educational and technical skill objectives. Over the past three years, Tri-C's overall graduation rate has increased by 300 percent and an increase of almost 200 students finished their degree requirements in two years or less.

In addition to providing educational and training opportunities, the College partners with local organizations and groups to host and sponsor civic, sporting and cultural events including Tri-C's annual JazzFest Cleveland, the nation's premier educational jazz festival which celebrated its 38th year in 2017.

The Tommy LiPuma Center for Creative Arts at the Metropolitan Campus was established as a joint project between the College and The Rock and Roll Hall of Fame and Museum to provide a unique learning environment for students pursuing studies in a wide spectrum of creative arts disciplines including media, recording, and performing arts, animation laboratories, dance and theater. The Center is named in honor of Cleveland native Tommy LiPuma, one of the most successful pop and jazz producers of all time with 33 gold and platinum records to his credit, 33 Grammy nominations and three Grammy awards. The Center also houses the Rock and Roll Hall of Fame and Museum's library and archives.

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

The Community

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

Based on 2010 US Census statistics, Northeast Ohio has approximately 4.3 million people, 1.25 million of who live in Cuyahoga County according to the county's 2016 report. Though the County is ethnically and culturally diverse, County demographics indicate 59 percent of the population is White, 29 percent Black, three percent Asian. The median age is 40.2 years of which 62 percent fall within 18 to 64 years of age. Current statistics according to the American Community Survey 1-year estimates, US Census Bureau (2016) reports County poverty levels at 18.1 percent, about 25 percent higher than the rate in Ohio (14.6 percent). Median household income is $46,600 with 2.3 persons per household. In measuring educational attainment in a population of 25 years and over, County statistics indicate 31.2 percent have earned a Bachelor's degree or higher, an additional 30 percent have some college background and with an additional 29 percent having graduated high school, the County compares equally to the State's 90 percent high school graduation or higher attainment level. County estimates indicate 6.9 percent (approximately 67,452) of the population are veterans.

Northeast Ohio is home to seven of Ohio's 24 Fortune 500 companies, with an additional nine corporations headquartered in the County that rank among Fortune Magazine's 1,000 largest corporations. The County's hospital health systems which include a number of nationally recognized health care, medical education, medical research and medical technology institutions including the world-renowned Cleveland Clinic, University Hospitals Health System, the MetroHealth System, and the Global Center for Health Innovation employ 9.2 percent of the County labor force. 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 career programs to address the employment needs of the community. Cuyahoga Community College ranks twelfth in the nation for the number of associate degrees awarded in health careers and related professions. In Ohio, the College ranks first in the State in conferring associate degrees in nursing, health professions and related disciplines.

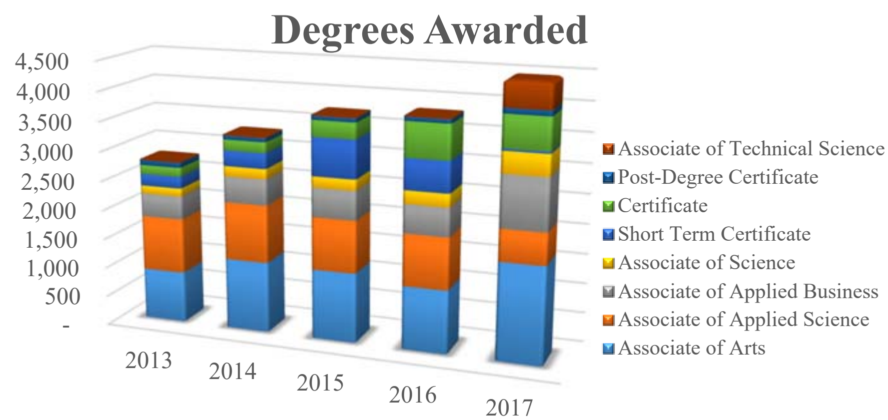
The County is also noted for its many cultural institutions and attractions including the Cleveland Museum of Art, Playhouse Square Center (home of the Great Lakes Theater Festival, the Cleveland Playhouse and Dance Cleveland), the Museum of Natural History, the Botanical Gardens, the Museum of Contemporary Art (MOCA), the Rock and Roll Hall of Fame and Museum, the Great Lakes Science Center, the Western Reserve Historical Society (including the History Museum and the Frederick C. Crawford Auto-Aviation Museum and Library), the NASA Lewis Research Visitor Center and Severance Hall, home of the world renowned Cleveland Orchestra. Also available to area residents is the Cleveland Metroparks System, a 21,000-acre recreational network known as the "Emerald Necklace".

In addition to its healthcare and cultural attractions, Cleveland is home to numerous professional sports teams including the Cleveland Cavaliers, 2016 NBA (basketball) Champions, the Cleveland Indians, 2016 American League (baseball) Champions, the Cleveland Monsters, 2016 Calder Cup (hockey) Champions and the Cleveland Browns (football).

Distinctive demographic and economic factors that have an impact on the College's overall mission and strategies include: (1) the need to provide post-secondary education for a wide range of students, from students in need of developmental education, to honor students in both suburban and urban environments; (2) a transformational shift from traditional manufacturing jobs to careers in healthcare, financial services, information technology, leisure and hospitality, and other high-growth sectors; (3) continued population decline of 10.4 percent since the year 2000, and (4) an urban environment characterized by high poverty rates and low educational attainment. Eighteen percent of the County population is below the poverty line but this number increases to 26 percent when evaluating children under 18 years of age. Ten percent of the County's residents lack a high school diploma and on average only 74.3 percent of students in the Cleveland Metropolitan School District graduate from high school within five school years.

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. The College continues to commit resources to develop these programs through investment in its Advanced Manufacturing Technology and Engineering programs along with establishing its Centers of Excellence in Culinary Arts and Hospitality, Public Safety, Information Systems, Creative Arts, Health Careers, and Manufacturing. Ninety percent of Tri-C graduates from career programs find employment in the community and 83 percent of those jobs are related to their field of study.

Types of Services



Cuyahoga Community College is fully accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools which permits the College to award the Associate of Arts, Associate of Science, Associate of Applied Science, Associate of Applied Business and Associate of Technical Study degrees to students who satisfactorily complete their coursework. In 2010-2011, the North Central Association of Colleges and Schools reaffirmed the College's accreditation. The next comprehensive evaluation is scheduled for 2018-2019.

The College offers more than 1,000 credit courses and 190 degree and certificate programs designed to prepare students to thrive in this dynamic global economy. Classes are held in locations throughout the community, close to home or work, with day, evening and weekend options.

A number of the College's career programs are accredited or approved by appropriate specialized associations or agencies. The College offers 87 technical programs leading to an associate degree. Of these programs, 65 lead to an Associate of Applied Science degree and 22 lead to an Associate of Applied Business degree. Short-term professional certificates are offered in 37 program areas and 58 programs offer a one-year certificate of proficiency. The College offers nine post-degree professional certificate programs and a variety of non-credit courses, support services and special programs designed to meet the needs of a diverse student body and the community at large.

The College has seven formal, Dual Admission Partnerships with local colleges and universities. Through Dual Admissions, students complete their Associate degree at Tri-C with the intent to complete their bachelor degree at the partner school. The College also has over 70 formal articulation and transfer agreements with 39 higher education institutions, including both public and private four-year institutions in Ohio and a number of other states. The statewide articulation and transfer policy facilitates movement of students and credits from one Ohio public college or university to another. The policy avoids duplication of course requirements and enhances a student's mobility throughout Ohio's higher education system. The policy also establishes a "Transfer Module", a specific subset of an institution's general education requirement. Students who successfully complete the Transfer Module at one institution will have met the Transfer Module requirements of the receiving institution.

Ninety percent of Tri-C students are seeking an associate degree or are taking courses to transfer. Ten percent are enrolled in certificate programs. Approximately 68 percent of students are enrolled part-time, while 65 percent are enrolled in technical job training courses. The College serves more than 650 veterans at our military-friendly institution. Through the College Credit Plus program, more than 3,500 students are enrolled in Tri-C courses while still in high school. Student ages range from 15 to over 75. Females account for 61 percent of the student population. Thirty eight percent of our students are from minority groups. Twenty-one percent are students from outside the region. Students from more than 70 countries have attended Tri-C. More than 8,500 Tri-C students have benefited from more than $7 million in scholarship money in the past five years.

In 2016, the College ranked 29th among the nation's top 100 Associate Degree producing institutions in all disciplines, with 2,977 degrees awarded according to Community College Week in its analysis of U.S. Department of Education data. With ever-increasing emphasis on student success, graduation statistics continue to rise. In fiscal year 2016, 3,828 students graduated with an Associate's Degree and/or Certificate of proficiency. This number again increased to 4,483 in 2017.

Economic Environment Analysis

The economic environment in Cuyahoga County and Northeast Ohio has a significant impact on the fiscal year budget, operating results and net position. Of the 23 community and technical colleges in Ohio, Cuyahoga Community College is one of six that levy local taxes. Thus, the College's principal revenue sources come from County-assessed and collected property taxes, as well as state appropriations and student tuition and fees. The sustainability of these revenue components is largely dependent on variables external to the College including unemployment trends, local and state economic conditions, legislative actions and voter sentiment. In order to continue providing the services offered to students and the community, the College must manage fluctuation in these revenue sources as well as its own operating costs.

To the County's benefit, building permits and permit values have increased over the past four years from $706 million per year to an average of $868 million. The Ohio Revised Code allows for several types of incentives or tax abatement programs as an inducement to invest in property improvements and/or create additional jobs. If approved by the local government, these abated properties would have an adverse effect on the College's resources over the abatement periods which may last as long as 15 years. The overall assessed values of real estate properties in the

County decreased $23 million which was offset by an increase of $120 million in public utility properties netting to an increase of 0.3 percent or $97 million in assessed valuation. In accordance with GASB Statement No. 77, additional disclosure on abatements that affect revenue is presented in Note 8.

Cuyahoga County's labor force included over 610,500 individuals in 2016, down from 667,784 in 2015. Unemployment rates in Cuyahoga County trend 1.0 to 1.5 percent higher than the State. County unemployment in June 2017 was 6.6 percent compared to Ohio's 5.4 percent. Though the unemployment trend in the County has improved from the 9.2 percent high recorded in 2009 to its present 6.6 percent at June 30, 2017, unemployment at June 30, 2017 was 0.7 percent higher than the previous year's 5.9 percent.

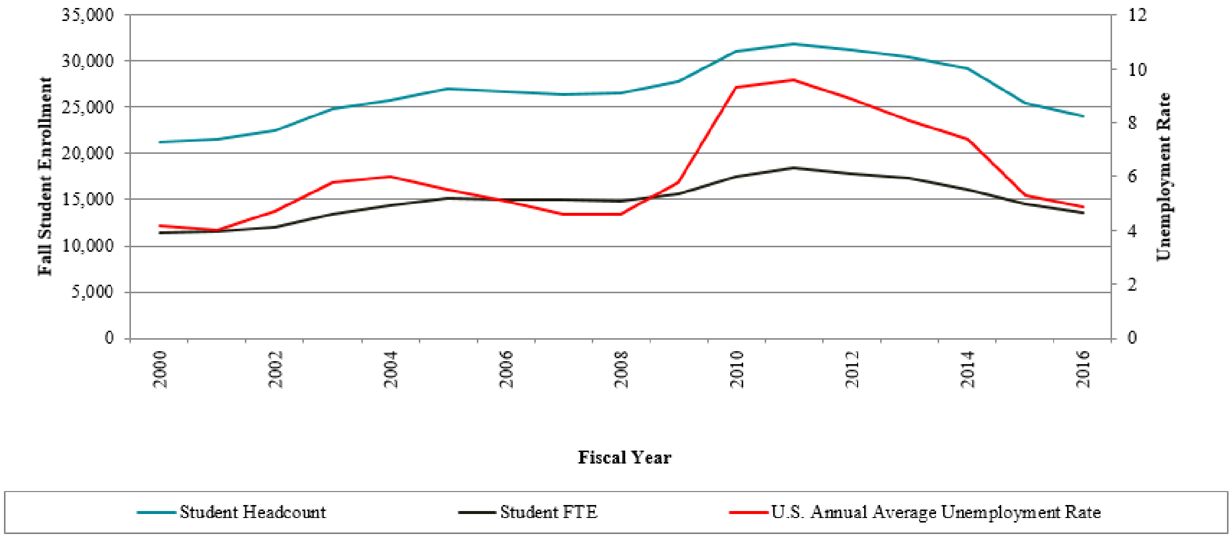
The population of Cuyahoga County has fallen from 1,330,428 individuals in 2005 to 1,249,352 in 2016, a 6.1 percent decrease over this period. Reductions in population contribute to lower tax revenues as well as lower enrollment at the College. The Cleveland-Elyria-Metropolitan Statistical Area however has seen only a slight decrease of one percent indicating that regional population remains steady.

The State Share of Instruction (SSI) was adopted in 2012 as the primary funding method for Ohio's public colleges and universities as developed by Ohio's Department of Education. The State Share of Instruction thus encouraged institutions to focus on student success outcomes rather than enrollment as a means of obtaining financial support from the State by holding public institutions accountable for results that included course and degree completion. The new funding model would allocate State resources to community and technical colleges based on the following three components: course completion (50 percent), completion milestones (25 percent) and student success points (25 percent). The course completion and completion milestone metrics were also weighted by access categories intended to support the ongoing access mission of community colleges for certain populations that are underserved and whose increased success is essential to the attainment goals of the state.

Despite slightly lower student enrollment in 2017, the College received $71.1 million in SSI as compared to $67.8 million and $63.8 million in fiscal years 2016 and 2015 respectively. As student graduation and transfer rates increased, the College received additional revenues to offset its operating costs as well as to continue investing in efforts to improve student outcomes.

Enrollment peaked in Fall semester 2011 with 31,699 credit students when the County's unemployment rate averaged just under eight percent. The County's unemployment rate in Fall 2016 was 5.5 percent and Tri-C's enrollment was 23,987 students, a 24 percent decrease from the 2011 record high. While the current economic conditions indicate unemployment rates in the County range between 6.6 and 6.8 percent, College enrollment in Fall 2017 is slightly lower at 23,900 students, somewhat contrary to the inverse relationship realized in the past. Typically, enrollment trends mirror the unemployment trends in the community and thus the College recognizes it has a responsibility to adjust and adapt its programs to provide the resources required to educate and provide the job skills required to meet the employment needs of Northeast Ohio.

Cuyahoga Community College Fiscal Year Student Enrollment Trends (Fall to Fall Comparison)



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, collaboration, and improved reporting and metrics, Cuyahoga Community College will continue delivering high quality, accessible and affordable education while maintaining its fiscal health.

Long Term Strategic Financial and Operational Planning

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

The College has Board approved policies 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, Procurement, Asset Management, New Programs Funding, Planning and Achievement, and Operations. These policies provide guidance for planning of resources and maintaining fiscal integrity. The College's long range plan forecasts revenue and expenditures for a five-year period in order to best manage each fiscal year's expenditures and yield a balanced budget whereby operating expenditures do not exceed resources. The long range plan helps model the College's fiscal performance and is updated monthly with College and community data. As financial and strategic assumptions change throughout the fiscal year, the long range plan is adjusted accordingly.

Budget Development Process

The College's Board of Trustees adopts a budget for each fiscal year based on a five-year, 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 and to budget constraints set by the State. The President requires major budget units to submit a comprehensive budget package to the College's Office of Planning, Budget, and Strategic Support, including a full-time staffing plan, enrollment plan, operating plan, and equipment requests.

The Office of Resource Development coordinates the restricted fund (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, student success outcome analytics and 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., bookstores, 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 Department of Higher Education (ODHE). The request identifies the projects proposed to be financed with State appropriations and the purpose, priority, amount, and source of funds for these projects. ODHE and the General Assembly may approve, modify, or decline aspects of the College's requested capital appropriation programs. The College received $11,600,000 in appropriation during the biennium of 2016-2017. The College used these funds to begin Phase 1 of the structural renovation on the Plaza deck at Metropolitan Campus, roof replacements on buildings at Western Campus and the Jerry Sue Thornton Center and the renovation of the Manufacturing Technology Center. The College was approved for four additional capital projects in the amount of $15,575,000 from the 2017-2018 biennium. These projects include the next phase of the structural renovations at Metropolitan campus, Phase 2 of the Public Safety Training Center, the Metropolitan Campus Center renovations, and deferred maintenance projects.

The Board of Trustees annually reviews operating budgets for the general fund and auxiliary funds, as well as capital expenditures related to debt service, capital operating and other capital expenditures.

The Board adopts the annual general operating fund and capital expenditure budgets based on the recommendation of the President and Treasurer. If appropriate, the Board may modify the budgets during the year to reflect revised expenditure or revenue projections for that fiscal year.

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

Financial Reporting

As a matter of policy, the College's Enterprise Resource Planning (ERP) system automatically monitors and controls budget compliance and adjustments. The ERP system will permit the College's organizational units to amend expenditure budgets as long as the changes do not exceed their original authority to spend 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. Once approved, the College must submit a revised certificate of estimated resources to the Cuyahoga County Fiscal Officer.

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

Audit and Advisory Services

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

Strategic Focus Areas

In fiscal year 2016, the College completed a comprehensive College-wide strategic planning process that has resulted in a new long-range strategic plan that began in 2017 and extends through 2018. 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 its accompanying Systems Appraisal Feedback Report, the new higher education funding strategy, the State Share of Instruction, and an analysis of current issues facing community colleges on a state and national level in formulating its strategic plan.

For FY 2017 to FY 2018, the College initiatives are aligned around six Strategic Focus Areas, each with accompanying goals, metrics, and progress to sharpen the focus and clarify the path to success.

- Student Completion: The urgent need to substantially increase the number of students graduating from community colleges is a national, state and local priority. Cuyahoga Community College will increase the three-year graduation rate for first time, full-time students entering fall semester and increase the overall number of certificates and degrees granted annually.

- Student Experience: National and local research demonstrates that decreasing time to completion while engaging students in the learning process is essential. The College will provide structured educational pathways and individualized support to track progress and reduce time to college completion for all students.

- Equity in Outcomes: Closing the achievement gap in student success outcomes requires an intentional focus on the re-allocation of resources to make higher education credentials attainable for all students, regardless of age, race or economic standing.

- Workforce Impact: A skilled workforce is critical to the economic development and competitive vitality of Northeast Ohio. The College must increase its organizational capability and footprint to provide quality-training, products and services for all citizens in the region by ensuring that its workforce training programs are closely aligned with high-demand, rapidly changing industry sectors.

- Transparency, Accountability & Communication: The College must hold itself accountable as an organization and remain transparent when communicating outcomes and achievements both internally and externally. By doing so, the College will promote good stewardship of resources and highlight student success.

- Commitment, Continuity & Community Outreach: Northeast Ohio has depended on Tri-C for affordable and accessible educational opportunities for more than half a century. The College commits to maintaining its institutional mission, vision, culture and service in the face of social, economic and political change in order to remain accessible and affordable to the students and community who rely upon us.

We believe that these focus areas will allow us to serve our students while achieving the goals set forth by the Ohio Department of Higher Education and Governor.

Academic and Facility Master Plan Implementation

While the College continues to focus its academic program offerings to meet the demands of the communities we serve and in support of its mission and values, the College must also ensure that its facilities and equipment provide a safe, comfortable and modern environment in which students can engage, learn and achieve success. Construction and building for Cuyahoga Community College occurred primarily in the 1960's and early 70's. In 2007, the College developed its Ten Year Academic and Facilities Master Plan geared to enhance the success, learning and outcomes of our students over a ten-year planning period. To execute the College's Ten Year Academic and Facilities Master Plan, a tax-exempt general receipt bond was issued in the first half of 2009 to refinance previous debt and fund phase 1 of the plan. The College used proceeds from a $121 million bond issue to complete construction of the Westshore Campus, Recreation/Wellness Renovations, the Center for Creative Arts and the Advanced Technology Training Center at Metropolitan Campus, and the Campus Health Careers and Technology Center and Natatorium/Wellness Center at Eastern Campus, increasing access and services for students. In 2009, the College issued approximately $10.6 million of certificates of participation to finance the acquisition, construction, furnishing, and equipping of the Brunswick University Center.

Affordability and Efficiency in Higher Education

On February 10, 2015, Governor John Kasich issued an Executive Order which established the Ohio Task Force on Affordability and Efficiency in Higher Education ("Task Force") to recommend solutions for Ohio's institutions of higher education based on three key simultaneous needs. These were identified as: (1) to be more efficient in both expense management and revenue generation; (2) while offering an education of equal or higher quality; and (3) decreasing costs to students and their families. On October 1, 2015, the Task Force recommended a series of tangible action steps in the form of twenty-nine recommendations across nine main categories that address the affordability and efficiency objectives. With master recommendations requiring "Students must benefit" and establishing "Five-year goals", the recommendations include detailed suggestions on Strategic Procurement, Assets and Operations, Administrative Cost Reforms, Textbook Affordability, Time to Degree, Policy Reforms, Duplicative Programs, Co-located Campuses and Implementation. The

College continues to pursue these goals through various strategic alliances, a few of which are presented below and on subsequent pages.

The College is a member of the League for Innovation in the Community College which is an international nonprofit organization committed to improving community colleges through innovation, experimentation, and institutional transformation. The League was founded in 1968 and continues to serve community college institutions as a forum for meaningful dialogue that can lead to action and foster transformation and change.

In 2005, the College was selected to be a part of Achieving the Dream (ATD), a national multi-year initiative created to help more community college students succeed in their educational goals and improve their opportunity for economic success. Results of the ATD initiatives have been tracked over the life of the program, and students in the ATD cohorts experience higher levels of student success, as measured by retention rate, credits earned and grade point average. Though the ATD program funding has concluded, Tri-C continues its leadership efforts in student success and developmental education initiatives through various efforts including the MDRC, a funds distributor for the Bill and Melinda Gates Foundation, an ATD Developmental Education Initiative as administered through the State and the Ohio Association of Community Colleges. It provides assistance for the five ATD Ohio colleges to work with the other 18 community colleges to continue their work in Ohio to promote student success and completion on a statewide level.

Strategic Alliances

Enterprise Resource Planning (ERP):

The College is among 26 state wide colleges and universities expanding its relationship with Banner by Ellucian – the College's student and financial reporting enterprise software - to create a collaboration of public and private institutions. The Ohio Banner Users Group (OBUG) Collaboration works 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 mutually focuses on shared services as an opportunity to produce more efficient results in areas such as student access and success, accountability and increased performance standards. Ellucian provides dedicated resources, delivering business analysis and development skills to support the 26 colleges and universities in their efforts to accomplish these goals.

In order to optimize the utilization of our ERP software and secure the utmost value from its capital investment, the College has negotiated a strategic partnership agreement with Ellucian 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. Thi innovative partnership with Ellucian 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.

Dual Admission Partnerships:

Dual Admission Partnerships are special transfer agreements Tri-C has with four-year colleges and universities. Through Dual Admissions, students complete their associate degree at Tri-C with the intent to complete their bachelor degree at the partner school. Tri-C has Dual Admission Partnerships with Baldwin Wallace University, Cleveland State University, Hiram College, Kent State University, Notre Dame College, University of Akron, and Ursuline College. A few of the most recent agreements are described in the following paragraphs.

The partnership with Baldwin Wallace University (BWU) known as A2BW (associate to bachelor's) 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 degree at Cuyahoga Community College, and then finishing their last two years of undergraduate education with BWU. The A2BW program now includes 21 different degree programs in a variety of professions including Accounting, Human Resources, Marketing, Healthcare Management, Computer and Information Systems, Psychology, Software Engineering, Early Childhood Education and more.

In its master articulation agreement, Cleveland State University has partnered with Tri-C to provide students with transfer pathways for bachelor degree completion after completing Tri-C's Associate of Arts or Associate of Science degrees. With over 25 bachelor-degree pathway agreements in place, students in programs that range from Anthropology to Theatre Arts, can continue their educational journey at lower cost by taking advantage of these dual enrollment opportunities. After students earn their associate degrees from Tri-C, these agreements ensure that students will be accepted into these university degree programs at junior-level standing.

Through its partnership with Hiram, students can earn their associate degree at Cuyahoga Community College and then earn a bachelor degree in Accounting and Financial Management or Business Management from Hiram. With expanded transfer courses, students intending to follow these career paths can take advantage of this Dual Admission agreement and reduce their total tuition costs by taking classes at Tri-C's lower tuition rates and transferring credits to Hiram.

The articulation agreements entered into with Kent State University enables students, after earning their associates degrees from Tri-C, to transfer seamlessly to complete a bachelor degree at Kent State in 12 fields. These include Conflict Management, Construction Management, Dental Hygiene, Emergency Medical Technology, Health Information Technology, Hospitality Management, Human Services, Public Health, Respiratory Care, Sports and Exercise Studies, Theatre and Honors programs.

University Transfer Partnerships:

In addition to Dual Admission Partnerships, Tri-C also has transfer agreements with many of Ohio's public colleges and universities as well as a number of private institutions across the country. These program-specific articulation agreements offer transfer opportunities for our students to earn their first degree at Tri-C and their second degree anywhere, enabling them to continue their education and earn a bachelor degree. Though students, having earned their associates degree, are often accepted into four-year institutions, these partnership agreements ensure seamless transfer of courses in the program specific fields without loss of transfer credits. A few of these agreements include programs at Rose-Hulman Institute of Technology, the Art Institute of Pittsburgh, Berklee College of Music, Criminal Justice at Ohio University, the Ohio State University Dental Hygiene School, and others.

Students are also able to complete their bachelor degree at Tri-C campus locations through partner agreements with four universities. These include Baldwin Wallace University, Franklin University, Hiram College and Tiffin University. Both Tiffin and Franklin Universities offer classes at Tri-C's Brunswick University Center, which opened to the community in January 2011 as well as at Eastern, Metropolitan and Western Campuses. Baldwin Wallace and Hiram offer their classes primarily at Eastern campus or at Corporate College East locations.

Regional Campus Bookstores:

Barnes & Noble (BN) is the official Tri-C bookstore and offers campus-specific selections of textbooks in a wide variety of formats – new, used, rental, eBooks, loose-leaf or custom books – to help our students save on the cost of textbooks and higher quality merchandise and apparel. In FY 2017, all Tri-C BN bookstores began price matching with Amazon.com and BN.com for new, used and rental books in order to offer students convenient and quick access to resources for the same or lower prices than those offered on other on-line sites. Online retailers such as Amazon and BN.com typically have textbooks at a lower cost; however students are unable to use financial aid dollars to purchase materials at those online retailer sites. This new commitment by the College's strategic partner continues to decrease the cost of many required textbooks. Expanding textbook options has increased satisfaction, service and savings that meet the needs of our students.

Library Partnership Agreement:

The College signed an agreement with Cleveland Public Library and Cuyahoga County Public Library in December of 2014 to share resources, exchange services and coordinate programming in order to provide students with access to combined resources without incurring additional costs. The collaboration provides opportunities for the institutions to work together to better serve the community. Staff at the College and libraries are cross-trained on each other's programs and services. The agreement also establishes an internship program for Tri-C students with the libraries, enhances educational access to Tri-C through library referrals, provides website links between the institutions and print materials for distribution, and creates opportunities for promoting local programs and events.

Greater Cleveland Regional Transit Authority (RTA):

The College, in its work with the RTA, provides students with easy access to public transportation and improved access to campuses thus reducing traffic volume, air pollution and on-campus parking demands. RTA's Universal Pass (UPass) program provides registered students who have paid for one or more academic credit hour(s) a free, semester-long, unlimited ridership pass. Passes are only valid if displayed upon the student's My Tri-C card.

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 including those listed below.

- In May 2017, Tri-C officially opened the Crile Veterans Center and Archives. The Center is located at the Western Campus and was made possible through a generous donation by the Kisco Foundation. The Center allows Tri-C to improve and enhance services offered to veterans and their families. Support services will help veterans reach educational and career goals as they transition from soldiers to civilians, contributing to the economic well-being of Northeast Ohio.

- The Cuyahoga County Council awarded $63,000 to Tri-C Veterans Services to award scholarships to those veterans not eligible for other Foundation scholarships. The award provides financial resources for Workforce, Community, and Economic Development certificate courses as well as aid to spouses and children of disabled veterans. Though not related to this award, the College earned its eighth consecutive Military Friendly School designation in recognition of its commitment to serving veterans and active military students, as well as their families.

- In 2017, Cuyahoga Community College won its first national Bellwether Award for the workforce development programs in place at its Manufacturing Technology Center of Excellence. The honor recognizes College job-training initiatives designed to produce graduates in high-demand fields. The programs provide the skilled workforce needed to build the regional economy.

- Through a generous $300,000 gift from the Cleveland Foundation, Tri-C expanded its Creative Arts Dance Academy program to serve students in nearby Cleveland neighborhoods. The program has already served over 300 students across three Cleveland neighborhood locations. The program serves young children, but offers high school students in the program the opportunity to become apprentices and assist in teaching dance to the younger participants. The program has taken off in popularity and has conducted several performances throughout the year. The Tri-C Dance Academy plans to expand its offerings in the coming year.

- Medical Mutual of Ohio pledged a $1 million gift to award scholarships to Tri-C nursing and health career students. The gift was announced at Tri-C’s 2016 Presidential Scholarship Luncheon. The gift will increase the Medical Mutual Nursing and Health Careers Endowed Scholarship Fund which was established in 2012. The College recognized Medical Mutual’s continued support by renaming and dedicating the Westshore Campus’ Medical Mutual Health Careers and Sciences Building.

- Tri-C teamed up with Citizens Bank to offer the Citizens Bank Mobile Training Unit to employers and schools in Northeast Ohio. The unit is a 53-foot-long trailer that serves as a mobile classroom, bringing Tri-C’s Manufacturing Technology Center of Excellence programs through the generous support of Citizens Bank. It will offer training in welding, CNC machining, and 3D printing among others.

- The Tri-C Combined Campaign exceeded its 2017 goal of $135,000 by raising $145,485 in employee contributions. This is the largest amount ever raised for the Combined Campaign which raises funds for community partners including United Way of Greater Cleveland, United Negro College Fund, and Community Shares.

- Goldman Sachs 10,000 Small Businesses Program at the College continues to spur revenue growth and job creation. The $500 million initiative debuted at the College in May 2012 and continues today. Tri-C faculty customize the curriculum which covers topics such as accounting, human resources, negotiation and marketing. In April 2017, 374 business owners representing a wide variety of industries graduated from the program.

- NASA's Minority University Research and Education Project awarded the College a three-year grant to provide math and science enrichment to students in kindergarten through grade 12. The project's Aerospace Academy is designed to build interest and academic success in the fields of science, technology, engineering and math (STEM) and offers hands-on activities to bring the educational concepts to life for students. The MUREP Aerospace Academy at our Metro campus will reach approximately 1,200 students annually.

- In Fall 2016 Tri-C and the Illuminating Company partnered on a training program for future utility workers. The Power Systems Institute is a two-year program that combines hands-on utility skills training at a FirstEnergy facility with technical coursework taught in a Tri-C classroom. Program graduates earn an Associate of Technical Studies degree with a focus on electric power utility technology.

- Tri-C joined a National Student Success initiative designed to increase college graduation rates through the development of academic and career pathways for students. The College was one of 30 colleges selected to participate in the Pathways Project led by the American Association of Community Colleges (AACC). The project aims to help colleges already progressing on a student success agenda advance that work to the next level with ideas and best practices to be shared among community colleges across the country, and is funded through a $5.2 million grant from the Bill & Melinda Gates Foundation.

- The Jack, Joseph and Morton Mandel Humanities Center at the College has partnered with the City Club of Cleveland on a humanities project to build civic engagement. Mandel scholars will collaborate with the City Club throughout spring semester to better understand issues affecting Northeast Ohio. The project culminated with a community forum in May 2017. The Jack, Joseph and Morton Mandel Foundation and the Mandel Supporting Foundations awarded $10 million to the Cuyahoga Community College Foundation to establish the Center.

- Tri-C's Manufacturing Technology Center has mobilized a classroom by providing a 53-foot, mobile training unit with classroom space and a lab environment equipped with state-of-the-art technology to provide demand-driven, onsite training for customers. The unit will initially be used for CNC machining, welding techniques, 3-D printing and programmable logic control. When not in use, the mobile unit will travel through Northeast Ohio to promote manufacturing at various community events, trade fairs and schools.

- The College will use a $75,000 grant from Alcoa Foundation to upgrade its manufacturing lab with computer-controlled machines, robotic arms and other technological tools vital to training tomorrow's workforce. The new equipment will make our students more proficient with smart manufacturing methods, better preparing them for in-demand industrial jobs requiring increased technical skills.

- $1.4 million was received from the KeyBank Foundation to enhance and expand our public safety education and training programs. The initiative will include a campaign to recruit minority and female candidates for first responder jobs, as well as outreach programs to military veterans and the creation of a youth-focused summer academy.

- A software development academy launched by Tri-C and Cleveland Codes offers residents from Cleveland's low income neighborhoods training opportunities for high-tech jobs. The 16-week training program combines classroom and hands-on technical instruction with a community-based web development project. Participants then enter a 12-week paid internship as an entry-level software developer with a Northeast Ohio company.

- The first class of Honors Program Fellows graduated from Tri-C 21 months after signing academic commitment letters with the College. These high-achieving high school students were awarded scholarships that covered tuition, fees and books.

- The College conferred 2,892 associate degrees and certificates of completion at the Spring Commencement, making this one of the largest classes in Tri-C history. Total degrees and certificates conferred in Fall 2016 and Spring 2017 ceremonies was 4,483.

- Initiated in May 2016, Cuyahoga Community College continues its tobacco-free policy that prohibits the use of any tobacco product on College grounds. The Tri-C Board of Trustees unanimously approved the "100 percent Tobacco Free Campus" and acted to support a healthy environment for students, staff and visitors at the College.

- The 15+ Perks Program is an incentive program that financially rewards students who successfully complete 15 or more credit hours in a fall or spring semester and enroll in a subsequent semester for a minimum of 12 credit hours.

- The College again was recognized by Northcoast 99 in its annual recognition program that honors 99 great workplaces for top talent in Northeast Ohio. The College achieved legacy status in 2016 after having consecutively received program recognition over the last ten years.

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, 2016. This was the ninth consecutive year that the College has achieved this prestigious award. 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, 2017. 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, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

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

Cuyahoga Community College is an asset to the community we serve and touched countless lives in significant ways. It remains the place "where futures begin" in our region.

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,

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

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

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cuyahoga Community College
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

CUYAHOGA COMMUNITY COLLEGE

MISSION

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

VISION

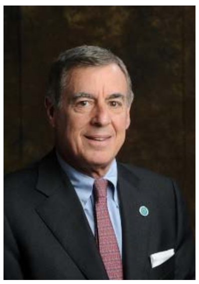
Cuyahoga Community College will be recognized as an exemplary teaching and learning community that fosters service and student success. The College will be a valued resource and leader in academic quality, cultural enrichment, and economic development characterized by continuous improvement, innovation,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

VALUES

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

Cuyahoga Community College

President and Board of Trustees

	**Alex Johnson, Ph.D.** PRESIDENT		**Victor A. Ruiz** CHAIR County Executive Appointment Term ends 01-17-22
	**Andrew E. Randall** VICE CHAIR Governor Appointment Term ends 10-12-17		**J. David Heller** County Executive Appointment Term ends 03-26-22
	**Michael Canty** Governor Appointment Term ends 10-12-17		**Jerry L. Kelsheimer** County Executive Appointment Term ends 01-16-20
	**Rachel Von Hendrix** Governor Appointment Term ends 10-12-18		**Helen Forbes Fields** County Executive Appointment Term ends 01-16-20
	**The Rev. Cory Jenkins** County Executive Appointment Term ends 06-22-21		**Geralyn Presti** County Executive Appointment Term ends 06-22-21

Cuyahoga Community College
College Administration

Dr. Alex Johnson, *President*

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

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

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

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

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

Dr. Donna Imhoff, *Campus President, College Vice President, Western Campus*

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

Gerard Hourigan, *Vice President, Information Technology Services*

Cynthia Leitson, *Vice President, Capital, Construction, and Supply Management*

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

Judith McMullen, *Vice President, Human Resources*

David Hoovler, *Vice President, Integrated Communications*

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

Robert Peterson, *Corporate College President & CEO*

Alicia Booker, *Vice President, Operations & Manufacturing*

Lisa Williams, *Vice President, Learning and Engagement*

Megan O'Bryan, *Vice President, Resource Development and Executive Director, Foundation*

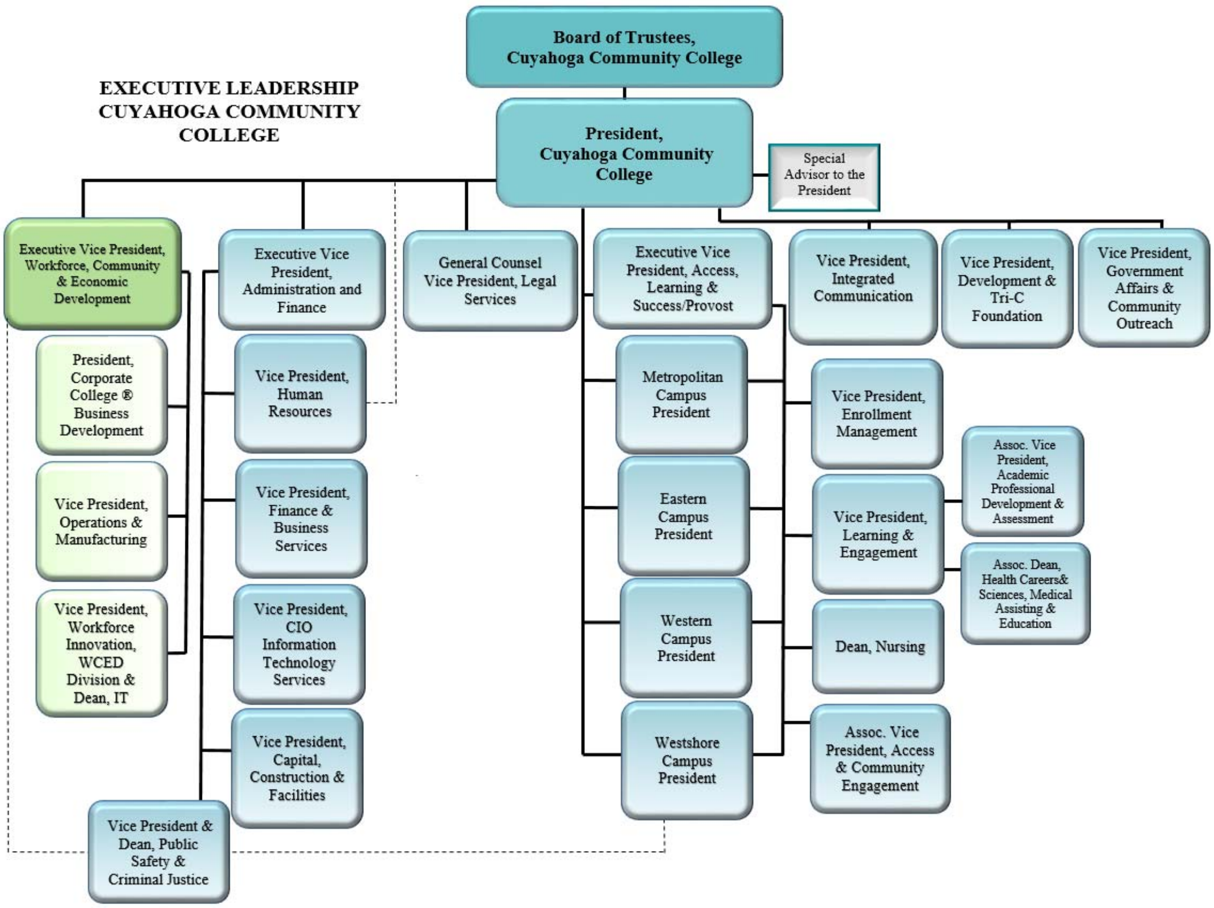
Claire Rosacco, *Vice President, Government Relations and Community Outreach*

Angela Johnson, *Vice President, Institutional Research & Enrollment Management*

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 years ended June 30, 2017 and 2016, 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 opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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.

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Ciuni & Panichi, Inc.
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www.cp-advisors.com
Independent Member of
Geneva Group International

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, 2017 and 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 24 and required schedules on pensions and other postemployment benefits on pages on pages 100 through 113 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were 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 audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Board of Trustees
Cuyahoga Community College

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2017 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.

Ciuni + Panichi, Inc.

Cleveland, Ohio
December 6, 2017

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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, 2017, with comparative information for the year ended June 30, 2016. 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 Department of Higher Education (ODHE) 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 ODHE determine if the College should be placed in fiscal watch and be subject to State oversight. The composite score uses a weighted average approach multiplying the viability score by 30 percent, the primary reserve score by 50 percent and the net income score by 20 percent and summing these scores for a total composite score. The College's targets for these ratios are set to achieve a composite score of at least 3.0, which exceed the State's minimum standard as an indicator of sound fiscal health. For fiscal year 2017, the College's composite score earned a 3.6 rating before implementation of Government Standards Accounting Board (GASB) Standard No. 68, *Accounting and Financial Reporting for Pensions*. The College's 2016 adjusted composite score was 4.0 (previously reported as 3.7, which included unamortized bond premium as a component of debt burden) and 3.9 in fiscal year ended June 30, 2015.

In 2014, the Government Standards Accounting Board Standard No. 68 established the requirement to include a proportionate share of the State's retirement systems' pension liability and associated deferred outflows and inflows on the College's financial statements. As pension funding by the employer is established by State Law, the College is not legally required to fund any unfunded liability of the State's retirement systems. Recognition of the proportionate share associated with GASB 68 requirements has an unfavorable impact on the components of the College's Statement of Net Position and the corresponding Statement of Revenues, Expenses and Changes in Net Position. As such, both the pre- and post-GASB 68 composite scores are presented in the performance metrics table on the following page. An explanation of these three components that comprise the composite score follow.

- **Viability Ratio:** Measures the financial health at a point in time. The ratio measures the availability of expendable net position to cover debt. The viability ratio is factored in at 30 percent of the composite score.

- **Primary Reserve Ratio:** Provides a snapshot of the financial strength and flexibility by indicating how long the College could function using its expendable reserves without relying on additional net position. The primary reserve ratio is weighted 50 percent in the computation of the composite score.

- **Net Income Ratio:** Measures the financial performance in a given year. The last component of the composite score in determining financial strength is the net income ratio, which represents 20 percent of the composite score.

In addition to these three performance measurements, the College 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.

- **Debt Burden Ratio:** Measures debt affordability by examining dependence on borrowed funds as a source of financing its mission and the relative cost of borrowing to overall expenditures.

- **Debt Service Coverage Ratio:** Measures the excess of income over adjusted expenses available to cover annual debt service payments.

- **Return on Net Position Ratio:** Determines whether the College is financially better off than in previous years by measuring total economic return. The ratio is based on the level and change in total net position, regardless of asset classification.

The College's performance metrics relative to its self-imposed composite target of 3.0 and its debt burden, debt service and net position ratios for fiscal years ended June 30, 2017, 2016 and 2015 are presented in the table below:

College Performance Metrics

	Target	Pre GASB 68 2017	Pre GASB 68 2016	Pre GASB 68 2015
Viability Ratio	> 60%	101.0%	102.3%*	91.2%
Primary Reserve Ratio	> 40%	42.5%	46.8%	46.3%
Net Income Ratio	2.0%-4.0%	0.9%	3.6%	5.5%
ODHE Composite Score	> 3.0	3.6	4.0*	3.9
Debt Burden Ratio	< 7%	6.1%	6.3%	6.3%
Debt Service Coverage Ratio	> 2.6 x	1.8 x	2.2 x	2.7 x
Return on Net Position Ratio	> 4.4%	0.8%	3.4%	5.7%

*2016 adjusted Viability Ratio previously stated as 93.7% was adjusted upward after removing unamortized bond premium from the calculation which thereby increased the ODHE Composite Score from 3.7 to 4.0.

College performance metrics are significantly impacted by changes in net pension liability and related deferred outflows and inflows associated with Ohio's State retirement plans. In fiscal year 2017, the College's proportionate share of Net Pension Liability increased an additional $56.7 million over the 2016 increase of $42.0 million. Deferred outflows increased $25.5 million and

$27.4 million in fiscal years 2017 and 2016 respectively. Deferred inflows decreased $11.5 million and $12.0 million in fiscal years 2017 and 2016 respectively. The additional pension expense associated with the implementation of GASB 68 in recognizing a proportionate share of the unfunded State liability resulted in decreases in operating income of $32.3 million offset by $12.7 million in subsequent payments recorded as Deferred Outflows in 2017. In 2016, the additional pension expense associated with implementation of GASB 68 resulted in decreased operating income of $18.2 million offset by $11.8 million in subsequent payments recorded as Deferred Outflows. Additional details associated with the College's proportionate share of net pension liabilities and deferred outflows and inflows are presented in Note 9 to the financial statements.

College Performance Metrics

	Target	Post GASB 68 2017	Post GASB 68 2016	Post GASB 68 2015
Viability Ratio	>60%	-74.9%	-41.5%	-41.5%
Primary Reserve Ratio	>40%	-29.6%	-20.5%	-21.3%
Net Income Ratio	2.0%-4.0%	-5.5%	2.8%	6.8%
Debt Burden Ratio	<7%	5.7%	6.2%	6.3%
Debt Service Coverage Ratio	>2.6 x	0.6 x	2.1 x	2.9 x
Return on Net Position Ratio	>4.4%	-12.9%	7.2%	21.2%

The College sets targets that are aggressive and designed to exceed minimum requirements. Not achieving targets is not a sign of financial weakness, but a reflection of the higher standards set by the College. The College's financial positon remains strong with total assets before deferred outflows of $608.0 million compared to $599.4 million at June 30, 2016. Net positon increased $2.8 million before recognizing the $19.7 million net impact of pension expense associated with the College's proportionate share of the State's under-funded pension plans. As of June 30, 2017, the College's Statement of Net Position reflects the $222.9 million of accumulated burden associated with the proportionate share of the State's retirement under-funded pension liabilities. Explanations of the various account balances and their changes are included in this discussion and analyses below.

Financial highlights for fiscal year 2017 included:

- Total operating revenues and State appropriations based on the 2013 State Share of Instruction (SSI) funding formula totaled $155.0 million and $153.7 million in fiscal years 2017 and 2016 respectively, a marginal increase of 0.8 percent. Though operating revenues showed a slight decline of 2.4 percent, State appropriations increased 4.8 percent. While operating revenues represented 27.5 percent of total revenues in both fiscal year 2017 and 2016, State Share of instruction increased 1.6 percent to 23.3 percent in 2017 versus 21.7 percent 2016. With its emphasis on student success, the College has aligned its strategic goals to mirror the State's mandate for completion and accordingly, the College received SSI funding of $71.1 million, $67.8 million and $63.8 million in fiscal years 2017, 2016 and 2015 respectively.

- Property taxes continue to be a source of funding to the College and provides resources to enable the College to provide affordable educational opportunities to the community. Community support for tax levies allows the College to offer students the opportunity to earn two years of college credit affordably, advance them towards bachelor's degrees and graduate with far less debt. The College continues to benefit from a 1.2 mill renewal and a 0.9 mill increase tax levy passed in November 2014. Property taxes of $94.5 million available to fund fiscal year 2017 operations were 15.6 percent lower than the $112.0 million available in 2016. Property Tax receivables increased $4.2 million over the prior year and deferred inflows related to property taxes increased $17.0 million over the prior year. External factors that affect the College's property tax revenues include tax abatements, urban flight, county delinquency rates, real property assessments and amounts available for advances from the County due to timing of collections.

- State Capital Appropriations in fiscal year 2017 of $9.2 million represents an increase of more than $5.6 million over fiscal year 2016's $3.6 million. The College submitted its request for the 2017-2018 biennium to the Ohio Department of Education for approval by the Ohio General Assembly. The College received approval for $15.6 million to be applied towards continuing structural renovations at the Metropolitan Campus, renovations at the Metropolitan Campus Center, Phase 2 of the Public Safety Training Center and infrastructure maintenance.

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. Additionally, Strengthening Opportunities for Success, Inc. (SOSI), a 501(c)(3) not-for-profit organization, with initial financial activity in fiscal year 2016, is included as a blended unit with cash and related revenues combined with the College accounts.

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

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

Statement of Net Position

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

Net Position
(in Thousands)

	2017	2016	2015
Assets			
Current Assets	$227,836	$219,235	$210,291
Non-current Assets			
Capital Assets, Net	338,448	334,358	336,061
Other	41,746	45,815	48,762
Total Non-current Assets	380,194	380,173	384,823
Total Assets	608,030	599,408	595,114
Deferred Outflows of Resources	77,973	52,921	16,533
Liabilities			
Current Liabilities	54,810	54,337	42,619
Non-current Liabilities	424,187	379,703	339,470
Total Liabilities	478,997	434,040	382,089
Deferred Inflows of Resources	92,781	87,198	107,247
Net Position			
Net Investment in Capital Assets	209,165	193,448	185,116
Restricted for Other Purposes - Expendable	5,114	4,026	4,443
Unrestricted (Deficit)	(100,053)	(66,382)	(67,248)
Total Net Position	$114,226	$131,092	$122,311

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

Fiscal years 2017, 2016, and 2015 included the effects of adopting GASB Statement 68, *Accounting and Financial Reporting for Pensions*, which significantly revised accounting for pension costs and liabilities previously reported under GASB Statement 27. An in-depth explanation of the changes in pension accounting and the financial impact on the statement of net position and statement of revenue, expenses and changes in net position is provided in Note 9.

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. The approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange." As such, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of the bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the College is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension systems against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

In accordance with GASB 68, the College's statements prepared on an accrual basis includes their proportionate share of net pension assets, net pension liability and deferred inflows and outflows of resources adjusted for College contributions subsequent to measurement dates and amortization of changes in proportionate share, changes in expected versus actual experience, changes in assumptions and changes in performance of pension fund investments.

Assets and Deferred Outflow of Resources – 2017

At June 30, 2017, total assets, excluding deferred outflows, were $608.0 million, 1.4 percent higher than $599.4 million at June 30, 2016.

- Cash and cash equivalents, including restricted amounts, decreased $2.8 million or 10.7 percent from prior year. This decrease was more than offset by the $3.7 million increase in the College's investment portfolio recorded at fair value and net asset values as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and as described in Note 2 to the financial statements.

- June 30, 2017 net account and restricted receivables of $23.6 million remained relatively flat with less than $0.5 million, or 2.0 percent decrease from June 30, 2016 receivables. Receivables are driven by student enrollment, financial aid subsidies, student payment plans and grant receivables. Outstanding receivables included restricted receivables of $5.0 million at June 30, 2017 and $4.2 million at June 30, 2016, primarily grant related.

- Property tax receivable increased $4.2 million, a 4.0 percent increase over the prior year. The June 30, 2017 property tax receivable of $107.9 million was $4.2 million higher than June 30, 2016 property tax receivable of $103.7 million due to an expected increase in the percentage of collectable taxes. Property taxes received from the County are based on actual collections when paid which is one year in arrears. Receivables are established using schedules received by the College from the County and are reported net of any estimated uncollectable or delinquent property taxes.

- The current portion of other assets at June 30, 2017 included prepaid student tuition of $0.4 million, $3.2 million prepaid payroll costs associated with 2017 summer enrollment and $0.5 million other prepaid items whereas other assets at June 30, 2016 included $0.3 million of prepaid student tuition, $2.7 million of prepaid payroll costs for summer 2016 term and $0.8 million of other prepaid items.

- With significant construction projects underway, capital assets, not being depreciated, at June 30, 2017 totaled $40.9 million, $11.6 million higher than June 30, 2016. Construction in progress during the year included $24.9 million of additions. The College placed $13.3 million in service in the current year. Other capital asset additions included $2.3 million in building and other improvements and $0.2 million in library books. Depreciation expenses were $23.2 million and net book value of asset retirements was $0.1 million. Depreciable assets, net of additions and disposals decreased $7.5 million, a 2.4 percent decrease.

Deferred outflows include loss on refunding of long-term debt of $9.0 million at June 30, 2017 as compared to $9.4 million at June 30, 2016. Deferred outflows associated with STRS and OPERS pension plans represent the College's proportionate share of the State's retirement plan deferred outflows (which includes changes in expected versus actual experience, changes in assumptions, and changes in investment performance) and College contributions subsequent to the net pension liability measurement date. STRS deferred outflows were $30.3 million and $14.7 million at June 30, 2017 and June 30, 2016 respectively. OPERS deferred outflows were $38.7 million and $28.7 million at June 30, 2017 and June 30, 2016 respectively. Additional detail on the components of deferred pension outflows are presented in Note 9 to the financial statements.

Assets and Deferred Outflow of Resources – 2016

Total 2016 assets increased $4.2 million (0.7 percent) over 2015 principally due to the following factors:

- Total cash and cash equivalents, including restricted amounts, remained relatively consistent with only a slight increase of 0.7 percent overall. Restricted cash however was reduced by $6.3 million with a corresponding increase of $6.5 million in unrestricted cash and cash equivalents. $5.8 million was previously restricted for the implementation of energy improvements and upgrades to College facilities. These were completed in fiscal year 2016.

- Receivables, aside from property taxes, increased $11.7 million or 94.7 percent over 2015. 2016 receivables of $19.9 million aligned more closely with fiscal year 2014 receivables of $19.0 million. The smaller 2015 receivable of $8.3 million was a result of postponing recording the receivable and related unearned revenues for summer and fall terms until the College's Board officially approved the tuition increase. The Board approved the increase in July of fiscal year 2016.

- Property tax receivable decreased by $1.6 million, a 1.5 percent decrease over the prior year. The decrease in property tax receivables was a result of advances received due to earlier than expected collections of 2nd half 2015 property taxes received in June instead of July 2016.

- Current portion of investments decreased $2.4 million with a shift towards longer term investments, which increased $3.2 million. Net change in investments was an increase of $0.8 million.

- The current portion of other assets, which primarily represented Student Financial Aid advances, decreased $5.3 million (55.8 percent) over the prior year due to timing of receipt of payment for summer term.

- Capital assets, net of depreciation, decreased $1.7 million. New additions included $22.2 million in building improvements, equipment, library books and net construction in progress. Equipment retirements amounted to $1.3 million of the $1.5 million of asset retirements for fiscal year 2016.

Deferred outflows include loss on refunding of long-term debt of $9 million over the prior year $0.4 million and an increase in pension outflows resulting from a $21.7 million increase in proportionate share of expected versus actual investment performance and $5.5 million increase in proportionate share of expected versus actual experience associated with pension funding by STRS and OPERS combined. Additional details regarding expected values is provided in Note 9 on Pension Liability.

Liabilities and Deferred Inflow of Resources – 2017

Total liabilities before deferred inflows at June 30, 2017 were $479.0 million, 10.4 percent higher than $434.0 million at June 30, 2016. Deferred inflow of resources increased $5.6 million (6.4 percent) from $87.2 million at June 30, 2016. Factors that attributed to the changes in liability and deferred inflows include the following:

- The 2017 increase in net pension liability associated with GASB 68 pension recognition requirements was $56.7 million compared to an increase in 2016 of $42.0 million and $191.5 million being reported in 2015, the year of implementation. This increase represents the College's proportion of the unfunded pension liabilities as of the measurement dates of each pension plan, though there is no legal means to enforce the unfunded liability against the College. The College has a legal obligation to fund the Contractually Required Contribution of covered employee payroll. Additional information is provided in Note 9 to the accompanying financial statements and the required supplementary information schedules.

- Deferred inflows in 2017 include $90.8 million in Property Tax receivables expected to be collected in future periods, an increase of $17.0 million over fiscal year 2016. The County advances the College property tax revenues collected on its behalf in July, September, February, and April. Deferred inflows associated with pension liabilities include $2.0 million and $13.4 million as of June 30, 2017 and June 30, 2016 respectively. The components of the $11.4 million decrease include changes in expected versus actual experience, changes in assumptions, changes in investment performance and changes in the College's proportionate share. Additional details are provide in Note 9 of the accompanying financial statements.

- Unearned revenue at June 30, 2017 of $20.8 million represents a 7.4 percent decrease from fiscal year ended June 30, 2016 balance of $22.4 million. The decrease corresponds to the decrease in receivables resulting from reduced summer enrollment. Summer and fall tuition, fees and related costs are earned in the subsequent fiscal year.

- Other decreasing liabilities include current and long-term debt reduction as follows: \$4.3 million reduction in Capital Lease obligations, a \$7.4 million reduction in general receipt bond obligations and a \$0.4 million reduction in certificates of participation as of June 30, 2017.

Liabilities and Deferred Inflow of Resources – 2016

Total 2016 liabilities increased \$52 million (13.6 percent) while deferred inflow of resources decreased \$20 million (18.7 percent) from 2015 largely due to the following factors:

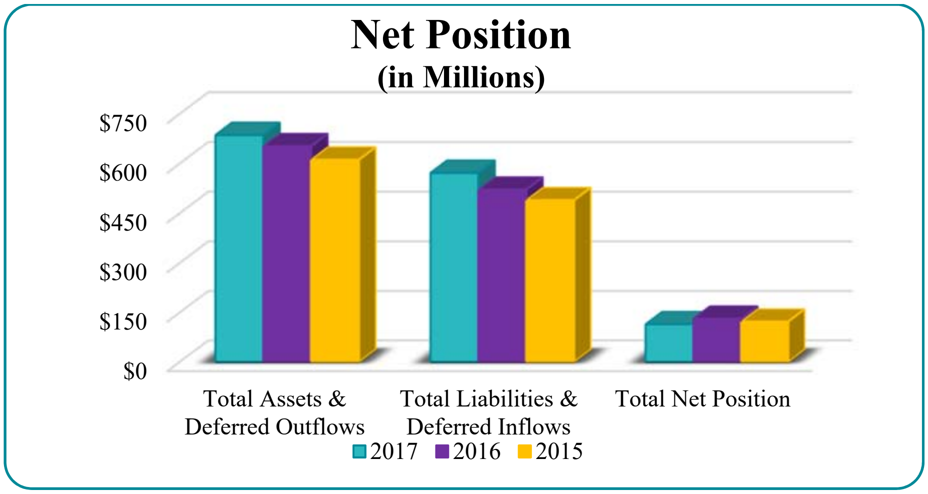
- With a large number of capital improvements underway, Accounts Payable and Accrued Liabilities increased \$1.7 million over the previous year, an 11.8 percent increase.

- Unearned revenue of \$22.4 million represents a 74.8 percent increase over fiscal year 2015 and is largely associated with the increase in Receivables resulting from early enrollment for the summer and fall terms of which associated revenues are earned in the subsequent fiscal year. The 2015 unearned revenue of \$12.8 million was lower than usual due to the Board approval of the tuition increase in July of fiscal year 2016 rather than June.

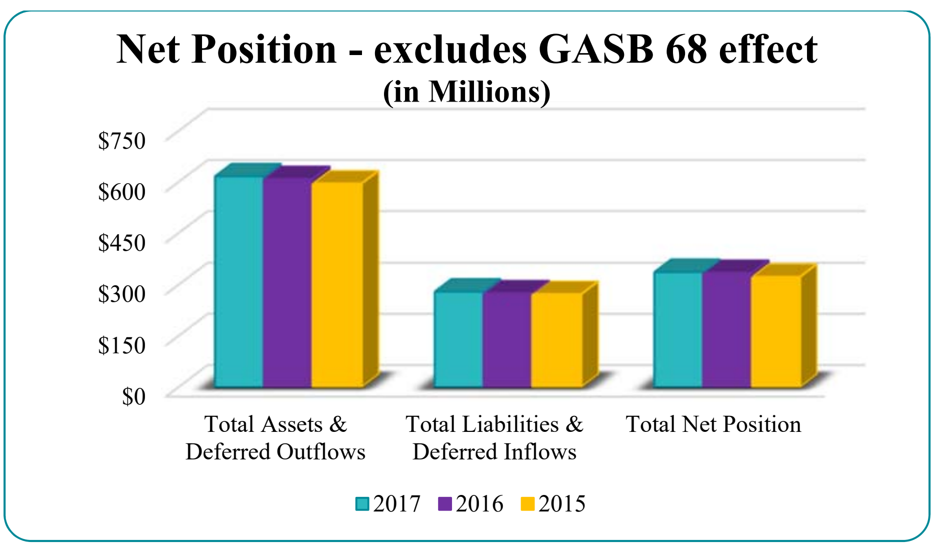
- Net Pension Liabilities associated with the proportionate share of state pension programs (STRS and OPERS) increased \$42 million over the prior fiscal year, which represented a 22 percent increase over fiscal year 2015. This increase represents the College's proportion of the unfunded pension liabilities as of the measurement dates of each pension plan, though there is no legal means to enforce the unfunded liability against the College. The College has a legal obligation to fund the Contractually Required Contribution of covered employee payroll. Additional information is provided in the required supplementary information schedules.

- Deferred inflows include \$73.8 million in Property Tax receivables expected to be collected in future periods, a decrease of \$8 million over the previous fiscal year. This was offset by an increase in amounts available for advances from the County due to residents paying property taxes prior to the July deadline. The decrease in future periods is representative of the decline in assessed values of residential homes and confirmation of two large health care institutions awarded tax-exempt status. Though investment in real property in the area has expanded, many of these firms were granted tax abatements for a number of years.

Net position decreased 12.9 percent from \$131.1 million at June 30, 2016 to \$114.2 million at June 30, 2017 largely due to the \$19.6 million adjustment to operating activities to reflect the College's proportionate share of the increase in the State's retirement system pension plans. The net position graph below reflects the accumulated impact on deferred outflows, net pension liability and deferred inflows and the corresponding decreases of over \$200 million on the College's net position. The changes in pension benefits, contribution rates and return on investments affect the balance of the net pension liability, deferred outflows and deferred inflows and are outside of the control of the College.



Though GAAP and GASB require recognition of unfunded pension liability, review of the changes in the College's assets, liabilities and net position for fiscal year ended June 30, 2017 should also be reviewed from the standpoint of College controllable activities. In excluding the effects of GASB 68, the respective assets, liabilities and net position of the College remain relatively consistent throughout the last three years.

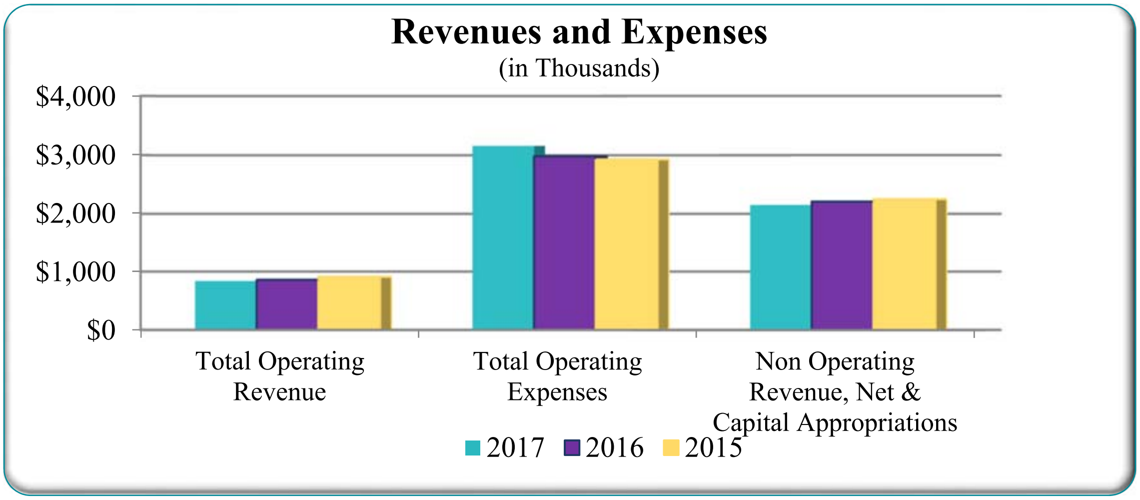


Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. As a public institution, the College is dependent on State assistance. This dependency contributes toward an operating deficit because the financial reporting model classifies State Appropriations and Property Taxes as non-operating revenues. Summarized revenues, expenses, and changes in net position for the years ended June 30, 2017, 2016 and 2015 are as follows:

Change in Net Position
(in Thousands)

	2017	2016	2015
Operating Revenues			
Net Tuition and Fees	$43,107	$44,035	$46,498
Grants and Contracts	16,043	15,503	16,814
Auxiliary Enterprises	14,135	15,555	16,507
Other	10,583	10,802	10,980
Total Operatinve Revenue	83,868	85,895	90,799
Operating Expenses			
Educational and General	280,372	260,673	250,162
Depreciation	23,186	23,891	23,585
Auxiliary Enterprises	12,416	13,517	14,249
Total Operating Expenses	315,974	298,081	287,996
Net Operating Loss	(232,106)	(212,186)	(197,197)
Non-operating Revenues (Expenses)			
State Appropriations	71,092	67,814	63,828
Property Taxes	94,495	111,972	101,588
Grants and Contracts	36,800	43,413	49,477
Investment Income, Net	8,919	(441)	2,561
Other Expenses, Net	(5,285)	(5,405)	(6,211)
Total Non-operating Revenues (Expenses)	206,021	217,353	211,243
(Loss) Income before State Capital Appropriations	(26,085)	5,167	14,046
State Capital Appropriations	9,219	3,614	7,314
(Decrease) Increase in Net Position	(16,866)	8,781	21,360
Net Position Beginning of Year	131,092	122,311	100,951
Net Position End of Year	$114,226	$131,092	$122,311



Operating Revenues – 2017

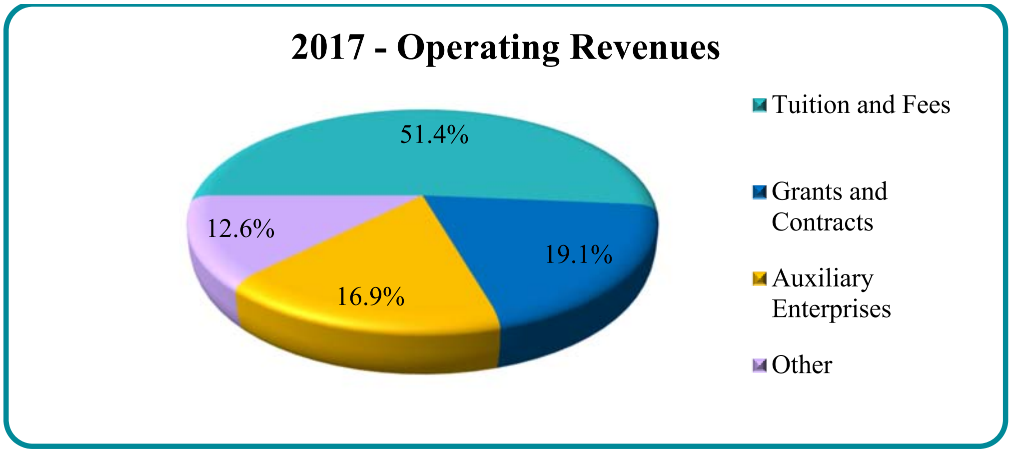
Operating revenues in fiscal year 2017 were $83.9 million, a 2.4 percent decrease from the prior year $85.9 million, a reflection of slightly lower enrollment in 2017 over 2016. Other components of operating revenue include federal, state and local grants and contracts, auxiliary enterprises which include bookstore, food services and parking operations, and sales and service revenue which includes revenues from partner and customized training, non-credit course fees, special event fees and fieldhouse/facility revenues. Other operating revenues are primarily facility rentals through Tri-C's Corporate College.

- Tuition and fees represent 51.4 percent of 2017 total operating revenue, whereas tuition and fees were 51.3 percent in the prior year. Tuition, net of scholarship was $43.1 million in 2017 and $44.0 million in 2016.

- Revenues from federal and state resources of $9.8 million were $0.7 million lower in fiscal year 2017 than prior year. Grants and contracts from private institutions totaling $6.2 million offset this shortfall and surpassed the prior year private institution grants by $1.2 million.

- Revenues associated with auxiliary enterprises and sales and service were 6.0 percent lower at $21.5 million in 2017 compared to $22.9 million in 2016. The decrease is associated with lower enrollments.

- 2017 other operating revenue of $3.2 million included facility rentals primarily through Corporate College which were $2.8 million in fiscal year 2017 compared to $2.7 million in 2016. Revenues of $132,043 from our blended entity, Strengthening Opportunities for Success, Inc. (SOSI), were recognized in 2017 as other operating revenue.



Operating Revenues – 2016

Total 2016 operating revenues of $85.9 million was $4.9 million lower than fiscal year 2015. Factors that contributed to lower revenues include the following:

- A decline in student enrollment contributed to a $2.4 million decrease in student tuition and fees revenue.

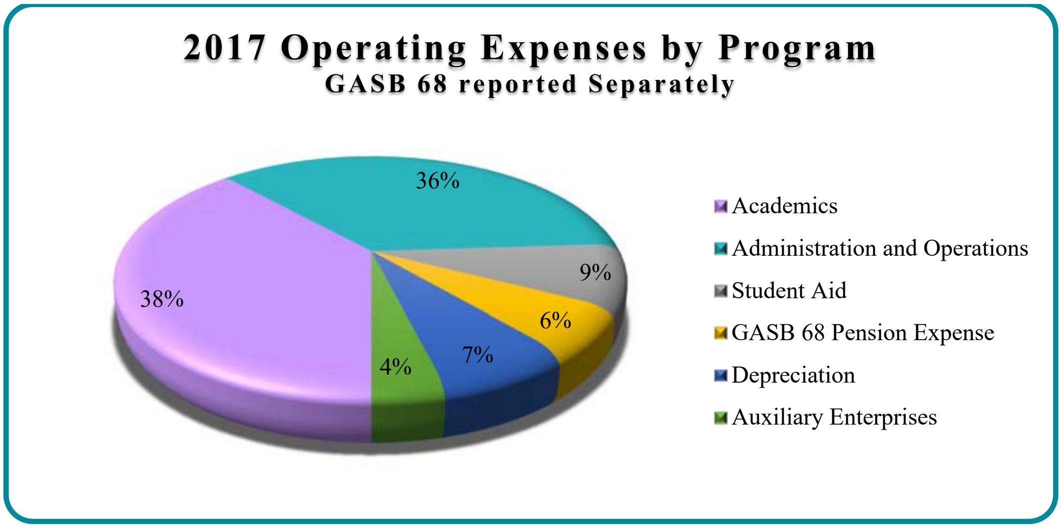
- Private grants and contracts decreased by $1.5 million, a 22 percent decrease from fiscal year 2015. Grants amounting to $800,000 that were not renewable and thus did not receive additional funding included the Mandel Leadership Program, the Veteran's Center from the Lerner Foundation, College Ready from Great Lakes, LiPuma/Farinacci Recording Project and a High Tech Academy grant from Kaiser Permanente.

- Revenues from auxiliary enterprises, which included textbook sales, food services and parking also decreased $1 million.

- Other operating revenues from facility rentals was $3.3 million in 2016 compared to $3.7 million in fiscal year 2015.

Operating Expenses – 2017

Operating expenses include educational and general operation costs, depreciation expense and costs associated with auxiliary enterprises. Operating expense in fiscal year 2017 was $316.0 million, a 6.0 percent increase over the $298.1 million in fiscal year 2016. Under GASB 68, pension expense represents additional amounts earned based on a proportionate share of the pension fund liability adjusted by a corresponding proportionate share of deferred inflows and outflows. Under GASB 68, the College's 2017 statements report pension expense of $32.3 million compared to $18.2 million and $11.5 million in fiscal years 2016 and 2015 respectively. The increase corresponds to changes in proportionate share of the pension liability at the pension fund level, which is controlled by the State. The collective net pension liability for the STRS and OPERS plans (which the College participates in) at the fund level increased $11.2 billion based on the 2016 measurement period as compared with an $8.5 billion increase in total net pension liability based on the 2015 measurement period. The magnitude of the under-funded positions in the State retirement plans has a profound impact to the overall net position and results of operations of the College.



Operating Expenses – 2016

In 2016, total operating expenses were $298.1 million versus the 2015 prior year total of $288.0 million. The $10.1 million increase was largely attributable to technology related investments in student-centered software enhancements. Increased grant spending, reductions in Pell grants and scholarship awards and increases in healthcare and general fringe costs across operating functions added to the overall increase in operating expense.

- Public Service expense increased by $2.0 million due to increased grant spending related to various programs including Ohio Department of Education's ABLE and Adult Diploma Programs, MDRC's Degree in Three and the National Institutes of Health's Bridges to Success grants.

- Institutional Support increased $5.5 million or 13.0 percent over fiscal year 2015. Increased spending on various information technology programs including the One Door, One Record and Recruiter projects were undertaken to enhance student information services and enrollment processes.

- Scholarships and Fellowships decreased by $3.7 million due to less Pell expenses resulting from decreased student enrollment and a reduction in the amount awarded per student.

Non-operating Revenues (Expenses) – 2017

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

Total 2017 non-operating revenues (expense) decreased $11.3 million (5.2 percent) from 2016 revenues of $217.4 million primarily due to the following factors:

- 2017 property tax revenues of $94.5 million were $17.5 million (15.6 percent) lower than the prior year revenues of $112.0 million. Tax abatements and delinquency rates have a negative effect on the College's resources.

- State appropriations of $71.1 million based on the State Share of Instruction funding model represents an increase of $3.3 million (4.8 percent) over the prior year share of $67.8 million. State appropriations provided to the College increase as student success outcomes outlined in the funding model improved.

- In fiscal year 2017, federal grants and contracts decreased $7.0 million from last year's $43.2 million. All but $60,000 of the reduction in revenues is associated with reduced Pell grant awards due to slightly lower enrollments in Spring and Summer terms which is consistent with the prior year.

- 2017 net investment income, restricted and unrestricted together, was $8.9 million compared to net investment losses in 2016 just under $0.5 million. Improvements are reflective of improvements in general markets and include recapture of unrealized losses previously recorded. Investments are adjusted to fair values or net asset values to reflect changes in investment valuation.

Non-operating Revenues (Expenses) – 2016

Total 2016 non-operating revenues (expenses) increased by $6.1 million (2.9 percent) over 2015 principally due to the following factors:

- Property tax revenues increased by $10.4 million (10.2 percent) due to the passage of the property tax levy on the November 2014 ballot with corresponding collections in the current fiscal year.

- State appropriations increased an additional $4.0 million (6.2 percent) due to changes to the State Share of Instruction funding model for course completion and completion milestones. Prior year increase was $4.4 million.

- Reduction in Pell Federal grant funds over prior year totaled $5.3 million due to declining enrollment resulting in approximately 2,000 fewer awards to students.

- Unrestricted investment income decreased by $3.0 million (117.8 percent) due largely to the unrealized capital loss of $3.5 million on the long-term investment portfolio.

State Capital Appropriations

With many large construction projects underway in 2017, capital appropriations from the State of Ohio were $9.2 million compared to 2016 capital appropriations of $3.7 million. The 155.1 percent increase in funds allowed the College to continue structural improvements at the Metropolitan Campus as well as continue work on the Campus Center Swing Space and begin Phase 2 of the Public Safety Training Center. Appropriated funds were also used for basic renovations to buildings and grounds.

In 2016, capital appropriations approved in the 2015-2016 biennium from the State, provided $3.7 million to offset costs for capital projects that enabled the College to begin work on structural concrete renovations at the Metropolitan Campus, the creation of the College's first Fab Lab/Ideation Station, a new lobby for the Manufacturing Technology Center and roof replacements at the Western Campus and the Jerry Sue Thornton Center.

CAPITAL ASSETS AND LONG TERM OBLIGATIONS

The College's net capital assets increased $4.1 million in fiscal year 2017 compared with the $1.7 million decrease in fiscal year 2016. With numerous construction projects underway, the College incurred $24.9 million in renovations and upgrades of which $13.3 million was placed in service on or before June 30, 2017. Projects included the Metropolitan Campus Center renovations and Swing Space, Science and Information Technology additions at the Western Campus and consolidation and upgrades at the Manufacturing Technology Center in addition to numerous smaller scale capital acquisitions.

At June 30, 2017, the balance in construction in progress was $16.8 million. At June 30, 2016, the open construction in progress activity totaled $5.3 million. Asset depreciation in fiscal year 2017 was $23.2 million while depreciation in 2016 was $23.9 million. Assets of $4.5 million, with net book value of $101,657, were retired in 2017. In 2016, assets with total net book value of $6,874 were retired. Additional information on the College's capital assets may be found in Note 4 of the financial statements.

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

	2017	2016	2015
Land	$24,104	$24,104	$24,104
Construction in Progress	16,847	5,287	1,550
Buildings	158,957	165,472	172,954
Building Improvements	112,775	110,129	104,125
Improvements other than Buildings	9,283	10,313	11,438
Library Books	729	667	662
Moveable Equipment	15,753	18,386	21,228
Total	$338,448	$334,358	$336,061

The College's debt, which is all capital related, is comprised of 2009 Series C General Receipt Bonds (Aa2 rated Moody's Investor Services, AA- rated Standard and Poor's), 2012 Series D General Receipt Bonds (Aa2 rated Moody's Investor Services, AA- rated Standard and Poor's), 2016 Series E General Receipt Bonds (Aa2 rated Moody's Investor Services, AA- rated Standard and Poor's), 2009 Certificates of Participation (A+ rated Standard and Poor's), 2017 Certificates of Participation (unrated) 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 Receipt Bonds were issued to refund the 2002 Series A Bonds and secure a lower interest rate. Likewise the 2016 Series E General Receipt Bonds were issued to refund much of the Series C obligations including all of the Series C term bonds. The Certificates of Participation were issued to acquire, construct and furnish the Brunswick University Center.

On March 1, 2017, the College issued $5.245 million of Series 2017 Certificates of Participation to refund $4.915 million of the Series 2009 Certificates of Participation maturing June 1, 2019 through June 1, 2024 plus accrued interest. As a result, the College reduced its aggregated certificate payments by $252,757 over the five years and obtained an economic gain of $233,195, representing the difference between the present values of the old and new certificate payments discounted at the effective interest rate.

Capital lease obligations continue to be paid down faster than acquiring new or replacing existing leases. Capital lease obligations at June 30, 2017 were $17.9 million, a decrease of $4.3 million or 19.5 percent from 2016 lease obligations at June 30 of $22.2 million. Capital lease financing pertained mostly to energy efficiency improvements made to facilities as well as information technology equipment acquisition. Additional information on the College's debt may be found in Notes 11 and 12 of the financial statements.

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

	2017	**2016**	**2015**
Capital Leases	$17,886	$22,221	$26,300
General Receipt Bonds	114,488	121,839	118,128
Certificates of Participation	5,878	6,299	6,958
Net Pension Liability	290,230	233,549	191,501
Compensated Absences	8,026	7,729	7,661
Claims and Other Liabilities	3,626	3,361	3,542
Total	$440,134	$394,998	$354,090

ECONOMIC FACTORS THAT AFFECT THE FUTURE

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

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

Ohio's gross domestic product was $625.7 billion in 2016, making Ohio the seventh largest state economy. Ohio ranks fourth among the 50 states in manufacturing gross domestic product. Employment is expected to increase 8.3 percent over the 10-year period from 2012 to 2022, a projected gain of 455,000 jobs according to Ohio's Economic Overview, published by Ohio's Development Services Agency. Moody's Analytics indicate that the 2016 per capita income in the State will grow from $44,876 to $47,613, a 6.1 percent increase in personal income. Areas of strength include a skilled manufacturing workforce, healthcare hubs, low business costs and increasing diversification in the metropolitan areas. Ohio's unemployment rate has remained steady around 5.0 percent in the last several months, though it lags the national rate by 0.5 percent.

Ohio's population of 11.6 million is concentrated in 14 metropolitan areas, the Cleveland-Elyria Metropolitan area being the largest with a population approaching 2.1 million individuals.

Cuyahoga County's population has seen a steady decline over the last 10 years with 2016 statistics indicating a population of 1.2 million. The decline in population affects not only student enrollment but also the property tax collections that are associated with levies and the cost of tuition. Building permits within the County have increased from 13,700 in 2013 and 2014 to 17,000 and 16,000 permits in 2015 and 2016 respectively. Construction however is often linked to tax abatements and thus property tax revenues associated with these new sites are often not available to the County or the College for five to ten years. The County reappraised property values early in 2012 and the result was a decrease in property values of 9.0 percent throughout the County. Though an update to appraised values was performed in the triennial period (2015), adjusted property values were marginal. The next County property appraisal is scheduled for 2018.

Unemployment rates in the County trend 1.0 to 1.5 percent higher than the State average. The seasonally adjusted average for 2016 was 5.4 percent. The unadjusted unemployment rate for June 2017 was 6.6 percent. Major employers in the County include health care providers, insurance companies, financial institutions, and manufacturers. Through its various program offerings in health careers, business, workforce development, and its centers of excellence in nursing, creative arts, public safety, hospitality management, information technology and manufacturing technology, the College continues its efforts in offering programs that provide students with the skills needed to successful pursue careers in our community.

While these economic factors pose significant challenges, the College has responded by reviewing its educational models and business processes to ensure efficient and effective institutional operations, while continuing to provide high quality, affordable education to students. Using innovative tools such as strategic collaborations, improved data collection and analysis, and success metrics, the College is able to more precisely budget for areas that will promote student success.

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.

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Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Net Position
June 30, 2017 and 2016

	2017	2016
Current Assets:		
Cash and Cash Equivalents (Note 2)	$23,286,007	$25,476,401
Investments (Note 2)	69,009,465	62,121,535
Property Taxes Receivable (Note 8)	107,914,034	103,737,736
Accounts Receivables, Net (Note 5)	18,500,326	19,855,387
Restricted Receivables (Note 5)	5,049,717	4,183,909
Other Assets (Note 5)	4,076,864	3,860,490
Total Current Assets	227,836,413	219,235,458
Noncurrent Assets:		
Restricted Cash and Cash Equivalents (Note 1)	346,343	980,807
Investments (Note 2)	41,105,095	44,257,359
Other Assets (Note 5)	34,252	339,359
Capital Assets, Not Being Depreciated (Note 4)	40,950,721	29,390,689
Capital Assets, Net of Depreciation (Note 4)	297,497,449	304,967,710
Net Pension Asset - OPERS (Note 9)	260,208	237,033
Total Noncurrent Assets	380,194,068	380,172,957
Total Assets	608,030,481	599,408,415
Deferred Outflow of Resources:		
Loss on Refunding (Note 1)	8,969,170	9,448,923
Pensions: (Note 9)		
STRS	30,276,162	14,749,528
OPERS	38,727,852	28,722,829
Total Deferred Outflow of Resources	77,973,184	52,921,280
Current Liabilities:		
Accounts Payable and Accrued Liabilities (Note 7)	17,829,259	15,835,006
Liabilities Payable from Restricted Assets (Note 7)	282,785	796,984
Unearned Revenue (Note 1)	20,751,412	22,409,918
Capital Lease Obligations - current portion (Note 12)	5,798,108	5,538,426
General Receipt Bonds - current portion (Note 11)	6,330,000	6,325,000
Certificates of Participation - current portion (Note 11)	777,000	685,000
Claims and Other Liabilities - current portion (Note 11, 14)	2,023,839	1,766,840
Compensated Absences - current portion (Note 13)	1,017,531	979,845
Total Current Liabilities	$54,809,934	$54,337,019

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Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Net Position (continued)
June 30, 2017 and 2016

	2017	2016
Noncurrent Liabilities:		
Capital Lease Obligations (Note 12)	$12,087,721	$16,682,828
General Receipt Bonds (Note 11)	108,158,411	115,513,797
Certificates of Participation (Note 11)	5,101,348	5,614,120
Net Pension Liability - STRS (Note 9)	180,386,795	149,168,420
Net Pension Liability - OPERS (Note 9)	109,843,000	84,380,870
Claims and Other Liabilities (Note 14)	1,601,858	1,594,065
Compensated Absences (Note 13)	7,008,260	6,748,697
Total Noncurrent Liabilities	424,187,393	379,702,797
Total Liabilities	478,997,327	434,039,816
Deferred Inflow of Resources:		
Property Taxes (Note 8)	90,814,641	73,768,046
Pensions: (Note 9)		
STRS	614,540	11,212,148
OPERS	1,351,594	2,217,936
Total Deferred Inflow of Resources	92,780,775	87,198,130
Net Position:		
Net Investment in Capital Assets	209,164,752	193,448,151
Restricted for Other Purposes:		
Expendable:		
Scholarships and Fellowships	5,041,116	3,612,359
Student Loans	63,014	401,074
Instructional/Departmental Uses	9,653	12,491
Total Restricted	5,113,783	4,025,924
Unrestricted (Deficit)	(100,052,972)	(66,382,326)
Total Net Position	$114,225,563	$131,091,749

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Net Assets
Component Unit
June 30, 2017 and 2016

	2017 CCC Foundation	2016 CCC Foundation
Assets:		
Cash and Cash Equivalents (Note 17)	$4,836,423	$2,286,903
Investments (Note 17)	66,412,700	56,210,142
Receivables: (Note 17)		
Interest	6,479	302
Pledges, Net	4,667,611	6,092,451
Due from Related Party	54,005	62,742
Beneficial Interest in Remainder Trust (Note 17)	458,438	373,768
Cash Surrender Value of Insurance (Note 17)	141,780	144,942
Prepaid Expenses	75,500	30,500
Other Assets	125,000	125,000
Total Assets	76,777,936	65,326,750
Liabilities:		
Due to Related Party (Note 17)	2,937,540	1,543,516
Accounts Payable (Note 17)	75,500	0
Annuities Payable (Note 17)	16,033	16,754
Total Liabilities	3,029,073	1,560,270
Net Assets:		
Restricted:		
Permanently (Note 17)	14,537,160	14,463,045
Temporarily (Note 17)	58,907,285	49,407,323
Unrestricted (Deficit)	304,418	(103,888)
Total Net Assets	$73,748,863	$63,766,480

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, 2017 and 2016

	2017	2016
Operating Revenues:		
Student Tuition and Fees (Net of scholarship allowances of $13,189,238 in 2017 and $15,298,608 in 2016)	$43,107,453	$44,034,746
Federal Grants and Contracts	8,436,540	8,808,343
State & Local Grants and Contracts	1,361,892	1,686,020
Private Grants and Contracts	6,244,201	5,008,891
Sales and Services	7,390,673	7,332,884
Auxiliary Enterprises	14,134,692	15,554,707
Other Operating Revenues	3,192,619	3,469,260
Total Operating Revenues	83,868,070	85,894,851
Operating Expenses:		
Educational and General:		
Instruction and Departmental Research	96,971,878	91,429,560
Public Service	14,292,422	13,453,388
Academic Support	29,034,828	24,394,102
Student Services	26,374,858	24,581,524
Institutional Support	54,386,047	47,665,517
Operation and Maintenance of Plant	32,340,254	27,975,690
Student Aid	26,971,727	31,172,814
Depreciation	23,186,257	23,891,304
Auxiliary Enterprises	12,416,278	13,516,908
Total Operating Expenses	315,974,549	298,080,807
Operating Loss	(232,106,479)	(212,185,956)
Non-Operating Revenues (Expenses):		
State Appropriations	71,092,363	67,814,329
Property Taxes	94,494,668	111,971,549
Federal Grants and Contracts	36,205,179	43,249,840
State Grants and Contracts	594,785	162,950
Unrestricted Investment Income (Loss) (Net of Investment Expenses of $77,662 in 2017 and $70,516 in 2016)	8,897,352	(453,831)
Restricted Investment Income	22,189	13,294
Interest on Capital Debt	(4,901,907)	(5,512,865)
Other (Expenses) Revenues, Net	(383,548)	107,833
Total Non-Operating Revenues (Expenses)	206,021,081	217,353,099
(Loss) Gain Before State Capital Appropriations	(26,085,398)	5,167,143
State Capital Appropriations	9,219,212	3,613,440
Changes in Net Position	(16,866,186)	8,780,583
Net Position Beginning of Year	131,091,749	122,311,166
Net Position End of Year	$114,225,563	$131,091,749

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Revenues, Expenses, and Changes in Net Assets
Component Unit
For the Fiscal Years Ended June 30, 2017 and 2016

	2017 CCC Foundation	2016 CCC Foundation
Operating Revenues:		
Contributions and Grants	$7,541,175	$8,184,735
Special Events Revenue	1,708,566	1,563,342
Total Operating Revenues	9,249,741	9,748,077
Operating Expenses:		
Educational and General:		
Institutional Support	5,629,138	4,212,727
Student Aid	1,576,354	1,459,906
Total Operating Expenses	7,205,492	5,672,633
Operating Income	2,044,249	4,075,444
Non-Operating Revenues (Expenses):		
Investment Income (Loss)	7,938,134	(1,189,463)
Other Income	0	9,292
Total Non-Operating Revenues (Expenses)	7,938,134	(1,180,171)
Change in Net Assets	9,982,383	2,895,273
Net Assets Beginning of Year	63,766,480	60,871,207
Net Assets End of Year	$73,748,863	$63,766,480

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, 2017 and 2016

	2017	2016
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities:		
Student Tuition and Fees	$43,052,975	$42,038,612
Grants and Contracts	34,767,282	39,807,492
Sales and Services	10,560,130	10,755,296
Auxiliary Enterprises	14,144,286	15,576,887
Other Receipts	32,429	354,059
Employee and Related Payments	(180,363,069)	(174,080,693)
Supplier and Vendor Payments	(63,378,497)	(65,483,375)
Payments for Scholarships and Student Aid	(47,476,274)	(50,785,537)
Other Disbursements	(372,797)	(87,626)
Net cash used for operating activities	(189,033,535)	(181,904,885)
Cash Flows from Noncapital Financing Activities:		
Property Tax Receipts	107,364,965	105,591,673
State Appropriations	71,092,363	67,814,329
Grants and Contracts	36,922,091	43,290,662
Net cash provided by noncapital financing activities	215,379,419	216,696,664
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Capital Debt, Notes and Leases	6,448,000	66,480,000
Premium from Capital Debt	0	10,325,140
Proceeds from Sale of Capital Assets	45,937	30,727
Purchases of Capital Assets	(17,963,206)	(17,113,999)
Principal paid on Capital Debt, Notes and Leases	(12,623,425)	(11,728,452)
Payment to Escrow on Refunded Debt	(5,183,927)	(74,884,800)
Interest Paid on Capital Debt, Notes and Leases	(5,087,089)	(6,456,314)
Net cash used for capital and related financing activities	(34,363,710)	(33,347,698)
Cash Flows from Investing Activities:		
Proceeds from Sales and Maturities of Investments	22,442,471	31,810,692
Purchases of Investments	(19,471,211)	(35,632,033)
Investment Income	2,221,708	2,568,071
Net cash provided by (used for) investing activities	5,192,968	(1,253,270)
Net (Decrease) Increase in Cash and Cash Equivalents	(2,824,858)	190,811
Cash and Cash Equivalents - beginning of year	26,457,208	26,266,397
Cash and Cash Equivalents - end of year	$23,632,350	$26,457,208

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Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Cash Flows *(continued)*
For the Fiscal Years Ended June 30, 2017 and 2016

	2017	2016
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating Loss	($232,106,479)	($212,185,956)
Adjustments:		
Depreciation expense	23,186,257	23,891,304
(Increase) Decrease in Assets:		
Receivables, net	446,066	(11,525,730)
Other Assets	(216,374)	5,276,971
Increase in Net Pension Asset	(42,721)	(237,033)
Decrease in Deferred Outflows - Pensions	16,874,083	8,083,085
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	1,091,736	768,946
Unearned Revenue	(1,658,505)	9,591,503
Net Pension Liability	4,294,558	(47,146)
Compensated Absences	297,249	66,981
Claims and Other Liabilities	264,792	(180,923)
Decrease in Deferred Inflows - Pensions	(1,464,197)	(5,406,887)
Net cash used for operating activities	($189,033,535)	($181,904,885)
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:		
Cash and Cash Equivalents	$23,286,007	$25,476,401
Restricted Cash and Cash Equivalents-Noncurrent	346,343	980,807
Total Cash and Cash Equivalents at Year End	$23,632,350	$26,457,208
Non-Cash Activities:		
State capital projects paid directly to vendors on College behalf	$9,219,212	$3,613,440
Unrealized gain (loss) on investments	5,458,004	(8,976,926)
Amortization of bond premium and deferred loss on refunding	(267,479)	(225,820)
Capital assets purchased on credit	195,267	1,468,414

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

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

Investment in Blended Component Unit

In accordance with GASB Statement No. 61, Strengthening Opportunities for Success, Inc. (SOSI), a 501(c)(3) organization incorporated in March 29, 2013 with the purpose of promoting the welfare of the people of the State of Ohio by providing economic development opportunities to the students, prospective students and faculty and staff of the College is presented as a blended component unit whose financial activity is included with the activities of the College. Although SOSI is a legally separate entity from the College, it is reported as if it were a part of the College because its sole purpose is to provide services entirely or almost entirely to the College.

Basis of Presentation

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

Basis of Accounting

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

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 associated with Summer registration in the subsequent fiscal year. Any grants and entitlements received before time requirements are met, despite meeting all other eligibility requirements, are recognized as unearned revenue until the point in time when all requirements are met.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position, similar to prepaid expenses that apply to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the College, deferred outflows of resources include a deferred charge on refunding College debt and for future pension obligations. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pensions are explained in Note 9.

In addition to liabilities, the statement 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 until that time. For the College, deferred inflows of resources include property taxes and may include changes in net pension obligations. Property taxes, here, represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow on the statement of net position. The deferred inflows of resources related to pensions are explained in Note 9.

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

Pensions – For purposes of measuring net pension liability, deferred outflow of resources and deferred inflow resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Cash Equivalents

During fiscal year 2017, the College invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio, is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants.* The College measures their investment in STAR Ohio at amortized cost.

For the fiscal year 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $50 million, requiring the excess amount to be transacted the following business day(s), but only to the $50 million limit. All accounts of the participant will be combined for these purposes.

Investments – Investments are stated at fair value using published market quotations if they fall within the fair value hierarchy established by generally accepted accounting principles. Investments that do not have readily obtainable market value are considered "alternative investments" and are valued using the net asset value per share or its equivalent (see Note 2). The College does not invest in derivatives. Investments with maturities of less than one year are considered short-term.

Capital Assets – Land, buildings and equipment are recorded at cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. Building improvements and improvements other than buildings are recorded at the aggregate cost of the construction of the improvement. Library books are purchased and recorded as a composite group of similar assets according to the limits below. When capital assets are sold or otherwise disposed of, the carrying value of such assets and any accumulated depreciation 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 years 2017 and 2016, total interest incurred amounted to $4,901,907 and $5,512,865 of which no portion of this expenditure was capitalized.

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

	Estimated Useful Lives	Capitalization Threshold
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 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, up to 180 days, for employees based on qualifying service with the College and/or age.

Net Position Classifications

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

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

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

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

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

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

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

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

Restricted Cash and Cash Equivalents – Restricted cash and cash equivalents at June 30, 2017 was $346,343, entirely restricted for Federal NDSL Perkins Student Loans. Restricted cash and cash equivalents at June 30, 2016 was of $980,807 which included Perkin Student Loans of $347,798 and other restricted cash of $633,009 which was reserved for energy efficiency improvements, now complete.

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

Deferred Loss on Refunding – The difference between the reacquisition price (funds required to refund the old debt) of the refunded general receipt bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is 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 as a deferred outflow of resources. New debt was issued in March 2017 to refund Certificates of Participation notes (see Note 11).

Changes in Accounting Principle

For fiscal year 2017, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans,* GASB Statement No. 77, *Tax Abatement Disclosures* and GASB Statement No. 80, *Blending Requirements for Certain Component Units.*

GASB Statement No. 74 improves the usefulness of information about postemployment benefits other than pensions for making decisions and assessing accountability. The implementation of this GASB pronouncement did not result in any changes to the College's financial statements or disclosures.

GASB Statement No. 77 requires disclosure of information about the nature and magnitude of tax abatements. These changes were incorporated in the College's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 80 clarified the financial statement presentation requirements for certain component units. The implementation of this Statement had no impact on the College's financial statements or disclosures.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* improves information provided by state and local governmental employers about financial support for other postemployment benefits that are provided by other entities. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. The College has not determined the impact that this Statement will have on its financial statements and disclosures.

The College also implemented GASB's *Implementation Guide No. 2016-1*. These changes were incorporated in the College's fiscal year 2017 financial statements; however, there was no effect on beginning net position/fund balance.

In fiscal year 2016, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and GASB Statement No. 82, *Pension Issues-an Amendment of GASB Statements No. 67, No. 68 and No. 73*. GASB Statement No 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the College's fiscal year 2016 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68. The implementation of this GASB pronouncement did not result in any changes to the College's financial statements.

GASB Statement No. 76 identifies in the context of the current governmental financial reporting environment-the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the College's financial statements.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance and establishes additional note disclosure requirements for governments that participate in those pools. The College incorporated the corresponding GASB 79 guidance into their fiscal year 2016 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 82, *an amendment of GASB Statements No. 67, No. 68 and No. 73* improves consistency in the application of pension accounting and provides clarification on "covered payroll". These changes were incorporated in the College's fiscal year 2016 financial statements; however, there was no effect on beginning net position.

Subsequent Events

In preparing these financial statements, the College has evaluated events and transactions for potential recognition or disclosure through December 6, 2017, the date the financial statements were available to be issued. The College had one issue on the November 2017 Cuyahoga County General Election ballot. The issue is a 0.5 mill, 25-year bond for the repair, improvement and construction of facilities vital for college completion and workforce education. The issue is expected to generate $227.5 million for investment across all Tri-C campuses. Collection of the money would begin in 2018 and run 25 years. The request asks Cuyahoga County property owners for an additional investment of less than $1.50 per month on a $100,000 home. The voters overwhelmingly approved the ballot issue by more than 68 percent approval.

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).

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. The June 30, 2017 bank balances of $2,985,548 were covered by $840,938 federal depository insurance and the remaining $2,144,610 were covered by pledged securities held by the financial institution's trust department or agent in the name of the College.

For prior fiscal year ended June 30, 2016, $993,135 of the total bank balances of $8,515,215 were covered by federal depository insurance. The remaining balances totaling $7,522,080 were covered by pledged securities and were held by the financial institutions' trust department or agent in the name of the College.

Although 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.

Accumulated cash deposits of $273,746 from the 501(c)(3) blended entity, Strengthening Opportunities for Success, Inc. (SOSI) is included in the bank balance and other operating revenues of the financial statements at June 30, 2017. Cash deposits for SOSI were $141,425 at June 30, 2016.

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 (STAR Ohio), 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.

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

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

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

Negotiable certificates of deposit held at various financial institutions amounted to $2,749,999 and $3,019,845 at June 30, 2017 and 2016, respectively. These negotiable instruments, though considered investments and subject to fair value hierarchy classifications, were insured by the FDIC up to $2,641,026 and $3,014,570 as of those dates. The $108,973 and $5,275 balances not covered by FDIC insurance at June 30, 2017 and 2016, respectively, were covered by pledged securities held by the financial institution's trust department or agent in the name of the College.

Investments – Investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

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

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

STAR Ohio and money market investments are valued at amortized cost and thus are not classified in the fair value hierarchy.

The subsequent chart identifies the College's recurring fair value measurements as of June 30, 2017:

Investments by Fair Value Level	Level 1	Level 2	Level 3	Value
Equity Mutual Funds	$48,883,580	$0	$0	$48,883,580
Bond Mutual Funds	20,125,885	0	0	20,125,885
Corporate Bonds	0	18,489,969	0	18,489,969
U.S. Treasury Notes	0	5,081,247	0	5,081,247
U.S. Agency Securities	0	3,769,237	0	3,769,237
Negotiable Certificates of Deposit	0	2,749,999	0	2,749,999
Asset Backed Securities	0	859,939	0	859,939
Municipal Bonds	0	982,238	0	982,238
Total Investments measured at Fair Value	$69,009,465	$31,932,629	$0	$100,942,094

Investments Measured at the Net Asset Value (NAV)	Unfunded Commitments	Redemption Notice Period	Value	
Alternative Investments Institutional, L.P.	0	90 days	$2,992,113	
Standard Life Investments Global Absolute Return Strategies	0	5 to 30 days	3,276,517	
Weatherlow Offshore Fund I Ltd.	0	65 days	2,903,836	
Total Investments measured at Net Asset Value				9,172,466
Total Fair Value & Net Asset Value Investments				$110,114,560

The chart below identifies the College's recurring fair value measurements as of June 30, 2016:

Investments by Fair Value Level	Level 1	Level 2	Level 3	Value
Equity Mutual Funds	$41,548,953	$0	$0	$41,548,953
Bond Mutual Funds	19,672,319	0	0	19,672,319
Corporate Bonds	0	20,615,553	0	20,615,553
U.S. Treasury Notes	0	5,743,429	0	5,743,429
U.S. Agency Securities	0	5,174,197	0	5,174,197
Negotiable Certificates of Deposit	0	3,019,845	0	3,019,845
Asset Backed Securities	0	1,148,280	0	1,148,280
Municipal Bonds	0	905,168	0	905,168
Total Investments measured at Fair Value	$61,221,272	$36,606,472	$0	$97,827,744

Investments Measured at the Net Asset Value (NAV)	Unfunded Commitments	Redemption Notice Period	Value	
Alternative Investments Institutional, L.P.	0	90 days	$2,651,259	
Standard Life Investments Global Absolute Return Strategies	0	5 to 30 days	3,162,485	
Weatherlow Offshore Fund I Ltd.	0	65 days	2,737,406	
Total Investments measured at Net Asset Value				8,551,150
Total Fair Value & Net Asset Value Investments				$106,378,894

Alternative Investments Institutional, L.P. is a limited partnership that uses a collaborative approach to building hedge fund portfolios and is designed for U.S. tax-exempt investors and non-U.S. investors. Its objective is to earn attractive rates of return, protect capital in down markets and provide lower volatility compared to broad equity markets by allocating to highly talented, smaller, lesser-known managers. There are currently no redemption restrictions other than the required notice period.

Standard Life Investments Global Absolute Return Strategies Fund (the "Fund") is a unit trust incorporated in the United Kingdom. Its objective is to provide positive investment returns in all market conditions over the medium to long term. The Fund utilizes a combination of traditional assets (equities and bonds) and investment strategies based on advanced derivative techniques resulting in a highly diversified portfolio. There are currently no redemption restrictions other than the required notice period.

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

The following tables show the remaining time to maturity of the College's investments as of June 30, 2017 and 2016:

	2017			
	Six Months and Less	**More Than Six Months, Less Than One Year**	**More Than One Year**	**Total**
STAR Ohio*	$20,239,720	$0	$0	$20,239,720
Money Markets*	1,973,471	0	0	1,973,471
Equity Mutual Funds	48,883,580	0	0	48,883,580
Bond Mutual Funds	20,125,885	0	0	20,125,885
Corporate Bonds	3,218,257	3,756,924	11,514,788	18,489,969
U.S. Treasury Notes	124,858	606,892	4,349,497	5,081,247
U.S. Agency Securities	99,967	362,030	3,307,240	3,769,237
Negotiable Certificates of Deposit	453,550	676,888	1,619,561	2,749,999
Asset Backed Securities	0	0	859,939	859,939
Municipal Bonds	0	0	982,238	982,238
Alternative Investments	9,172,466	0	0	9,172,466
	$104,291,754	$5,402,734	$22,633,263	$132,327,751

***These short term investments are included in Cash and Cash Equivalents**
****A portion of these investments had original maturities less than 90 days and were included in Cash and Cash Equivalents.**

	2016			
	Six Months and Less	**More Than Six Months, Less Than One Year**	**More Than One Year**	**Total**
STAR Ohio*	$15,069,625	$0	$0	$15,069,625
Money Markets*	5,403,971	0	0	5,403,971
Equity Mutual Funds	41,548,953	0	0	41,548,953
Bond Mutual Funds	19,672,319	0	0	19,672,319
Corporate Bonds	2,311,297	1,418,831	16,885,425	20,615,553
U.S. Treasury Notes	325,350	250,290	5,167,789	5,743,429
U.S. Agency Securities	300,084	827,092	4,047,021	5,174,197
Negotiable Certificates of Deposit	1,163,996	340,852	1,514,997	3,019,845
Asset Backed Securities	0	9,587	1,138,693	1,148,280
Municipal Bonds	0	0	905,168	905,168
Alternative Investments	8,551,150	0	0	8,551,150
	$94,346,745	$2,846,652	$29,659,093	$126,852,490

***These short term investments are included in Cash and Cash Equivalents**
****A portion of these investments had original maturities less than 90 days and were included in Cash and Cash Equivalents.**

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

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

Investment	Rating Agency	Amount	2017 Rating
STAR Ohio	S&P	$20,239,720	AAAm
Money Markets	S&P	1,973,471	AAAm
U.S. Agency Securities	Moody's	3,769,237	Aaa
Corporate Bonds	Moody's	4,521,972	Aaa to Aa3
Corporate Bonds	Moody's	11,829,141	A1 to A3
Corporate Bonds	Moody's	1,158,169	Baa1 to Baa2
Corporate Bonds	Not Rated	980,687	Not Rated
Municipal Bonds	Moody's	982,238	Aa2 to A2
Bond Mutual Funds	Morningstar	20,125,885	4 Star
Asset Backed Securities	Moody's	705,026	Aaa
Asset Backed Securities	Moody's	154,913	Not Rated

Investment	Rating Agency	Amount	2016 Rating
STAR Ohio	S&P	$15,069,625	AAAm
Money Markets	S&P	5,403,971	AAAm
U.S. Agency Securities	Moody's	5,174,197	Aaa
Corporate Bonds	Moody's	5,257,374	Aaa to Aa3
Corporate Bonds	Moody's	12,005,823	A1 to A3
Corporate Bonds	Moody's	2,287,903	Baa1 to Baa2
Corporate Bonds	Not Rated	1,064,453	Not Rated
Municipal Bonds	Moody's	905,168	Aa2 to A2
Bond Mutual Funds	Morningstar	19,672,319	4 Star
Asset Backed Securities	Moody's	869,579	Aaa
Asset Backed Securities	Moody's	278,701	Not Rated

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

Concentration of Credit Risk – The College's investment policy requires the portfolio to be diversified. The College's allocations at June 30, 2017 and June 30, 2016 are as follows:

Investment Portfolio	2017	2016
Equity Mutual Funds	36.94 %	32.75 %
STAR Ohio	15.30	11.88
Bond Mutual Funds	15.21	15.51
Corporate Bonds	13.97	16.25
Alternative Investments	6.93	6.74
U.S. Treasury Notes	3.84	4.53
U.S. Agency Securities	2.85	4.08
Negotiable Certificates of Deposit	2.08	2.38
Money Markets	1.49	4.26
Municipal Bonds	0.74	0.71
Asset Backed Securities	0.65	0.91
	100.00 %	100.00 %

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 the State Share of Instruction (SSI) formula, an outcomes-based approach, instituted by the State of Ohio. The College received $71,092,363 of student-based subsidy in fiscal year 2017 compared 2016 receipts of $67,814,329.

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

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

Note 4 – Capital Assets

With 10 active projects in progress at the start of fiscal year 2017, construction in progress totaled $5,286,995. During fiscal year 2017, the College incurred additional construction in progress expenditures of $24,885,624. Of these construction in progress expenditures, $13,325,592 was placed in service during the current fiscal year leaving a balance of $16,847,027 as construction in progress at June 30, 2017. Projects still underway at year end included the Metropolitan Campus Center building renovation, Westshore Phase 2 building expansion, West Campus Science and Information Technology addition, Manufacturing Technology Center consolidation and the Public Safety Training Center, Phase 2 along with deferred maintenance and equipment expenditures. Capital asset activity for the year ended June 30, 2017 and the prior year ended June 30, 2016 follow.

	Balance July 1, 2016	Additions	CIP placed in Service & Disposals	Balance June 30, 2017
Non-depreciable Capital Assets:				
Land	$24,103,694	$0	$0	$24,103,694
Construction In Progress	5,286,995	24,885,624	13,325,592	16,847,027
Total Non-depreciable	29,390,689	24,885,624	13,325,592	40,950,721
Depreciable Capital Assets:				
Buildings	297,851,728	0	0	297,851,728
Building Improvements	226,314,121	11,880,262	0	238,194,383
Improvements Other than Buildings	39,257,521	12,081	0	39,269,602
Library Books	1,056,727	247,107	158,921	1,144,913
Moveable Equipment	63,868,603	3,678,203	4,359,334	63,187,472
Total Depreciable	628,348,700	15,817,653	4,518,255	639,648,098
Less Accumulated Depreciation:				
Buildings	132,379,902	6,514,434	0	138,894,336
Building Improvements	116,185,383	9,234,269	0	125,419,652
Improvements Other than Buildings	28,944,612	1,041,998	0	29,986,610
Library Books	389,232	185,965	158,921	416,276
Moveable Equipment	45,481,861	6,209,591	4,257,677	47,433,775
Total Accumulated Depreciation	323,380,990	23,186,257	4,416,598	342,150,649
Total Depreciable Capital Assets, Net	304,967,710	(7,368,604)	101,657	297,497,449
Total Capital Assets, Net	$334,358,399	$17,517,020	$13,427,249	$338,448,170

In comparison, construction in progress in fiscal year 2016 began the year with 9 projects totaling $1,549,911. During fiscal year 2016, the College incurred additional construction in progress expenditures of $20,109,864 including $13,800,692 for the projects started in the prior year and $6,309,172 for 17 additional projects started in fiscal year 2016. Of these construction in progress funds, $16,372,780 was placed in service during the prior fiscal year leaving a balance of $5,286,995 as construction in progress at June 30, 2016 related to 10 ongoing projects. Projects included the structural renovation at the Metropolitan Campus and campus plaza as well as equipment and building upgrades at the Manufacturing Technology Center. Prior year details follow on the subsequent page.

	Balance July 1, 2015	Additions	CIP placed in Service & Disposals	Balance June 30, 2016
Non-depreciable Capital Assets:				
Land	$24,103,694	$0	$0	$24,103,694
Construction In Progress	1,549,911	20,109,864	16,372,780	5,286,995
Total Non-depreciable	25,653,605	20,109,864	16,372,780	29,390,689
Depreciable Capital Assets:				
Buildings	297,851,728	0	0	297,851,728
Building Improvements	211,612,176	14,701,945	0	226,314,121
Improvements Other than Buildings	39,257,521	0	0	39,257,521
Library Books	1,018,929	183,161	145,363	1,056,727
Moveable Equipment	61,658,017	3,573,663	1,363,077	63,868,603
Total Depreciable	611,398,371	18,458,769	1,508,440	628,348,700
Less Accumulated Depreciation:				
Buildings	124,897,266	7,482,636	0	132,379,902
Building Improvements	107,487,295	8,698,088	0	116,185,383
Improvements Other than Buildings	27,819,172	1,125,440	0	28,944,612
Library Books	357,419	177,176	145,363	389,232
Moveable Equipment	40,430,100	6,407,964	1,356,203	45,481,861
Total Accumulated Depreciation	300,991,252	23,891,304	1,501,566	323,380,990
Total Depreciable Capital Assets, Net	310,407,119	(5,432,535)	6,874	304,967,710
Total Capital Assets, Net	$336,060,724	$14,677,329	$16,379,654	$334,358,399

Note 5 – Accounts Receivable and Other Assets

Accounts receivable consists of the following as of June 30, 2017 and June 30, 2016:

	2017	2016
Tuition and fees receivable	$28,115,949	$29,889,012
Allowance for doubtful accounts	(10,321,127)	(10,522,335)
	17,794,822	19,366,677
Interest receivable	167,576	198,302
Other receivable	537,928	290,408
Totals	$18,500,326	$19,855,387

Receivables are expected to be collected in full within one year except certain tuition and fees. As such, the discounting for time value is immaterial. An allowance for doubtful accounts has been established based upon prior collection experience. The College has restricted receivables, primarily grant related, of $5,049,717 at June 30, 2017 and $4,183,909 at June 30, 2016.

The College has $4,076,864 of other current assets as of June 30, 2017 and had $3,860,490 as of June 30, 2016. Other current assets includes prepaid student tuition of $393,878 at June 30, 2017 as compared to $343,915 at June 30, 2016. Prepaid payroll costs associated with summer session of $3,186,458 as of June 30, 2017 compares with $2,728,864 from summer session as of June 30, 2016 and other prepaid items of $496,528 as of June 30, 2017 compares with $787,711 as of June 30, 2016. Note that payroll costs incurred through June 30, 2017 are classified as prepaid items as income related to these prepaid expenditures are not recognized until the subsequent fiscal year.

Other noncurrent assets as of June 30, 2017 were $34,252 as compared to $339,359 at June 30, 2016. Of the prior year non-current assets, student loan outstanding receivables applicable to the Federal Perkins Loan program was $298,873. In 2017, the College, in concert with the U. S. Department of Education, liquidated the outstanding student loan balance previously provided to students under the Federal Perkins Loan program.

Note 6 – Operating Expenses by Natural Classification

The College's operating expenses by natural classification were as follow for the years ended June 30, 2017 and June 30, 2016:

	2017	2016
Salaries and Wages	$140,562,457	$137,483,820
Employee Benefits	57,956,368	40,388,958
Utilities	6,192,100	5,462,462
Supplies	5,700,143	5,387,372
Travel	4,977,275	4,747,708
Outside Services	16,295,355	17,078,304
Maintenance and Repairs	6,907,510	6,464,660
Information and Communication	8,195,978	8,115,422
Depreciation and Equipment	26,320,241	26,048,411
Rent and Occupancy	10,685,288	10,245,271
Scholarships and Other Student Aid	27,663,321	31,547,475
Other	4,518,513	5,110,944
Total Operating Expenses	$315,974,549	$298,080,807

Note 7 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following at June 30, 2017 and June 30, 2016:

	2017	2016
Accounts Payable	$9,599,713	$6,575,112
Due to Related Party	54,005	62,742
Accrued Interest Payable	2,057,850	1,975,554
Payroll and Fringe Liabilities	6,117,691	7,221,598
Total	$17,829,259	$15,835,006

Liabilities payable from restricted assets at June 30, 2017 were $282,785 whereas liabilities payable from restricted assets at June 30, 2016 were $796,984.

Note 8 – Property Taxes & Tax Abatements

Property taxes are levied and assessed on a calendar year basis. The College's fiscal year runs from July through June. First half property tax collections are received by the College in the second half of the fiscal year. The second half tax receivables expected to be collected in the first half of the following fiscal year are recorded as deferred inflow of resources.

Property taxes include amounts levied against real property and public utilities located within Cuyahoga County. Real property tax revenue received in calendar 2017 represents collections of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed value listed as of January 1, 2016, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market values. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

The full tax rate for the fiscal year ended June 30, 2017 was $4.00 ($3.96 effective rate) per $1,000 of assessed value. The assessed values of real and public utility property upon which fiscal year 2017 property tax receipts were based are as follows:

	2016 Second Half Collections		2017 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$26,587,760,700	96.59 %	$26,564,733,730	96.17 %
Public Utility Personal	938,390,360	3.41	1,059,010,720	3.83
Total	$27,526,151,060	100.00 %	$27,623,744,450	100.00 %

Public utility property tax revenue received in calendar 2017 represents collections of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 became a lien December 31, 2015, were levied after April 1, 2016 and are collected in 2017 along with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

Accrued property taxes receivable includes real property and public utility real property and personal property taxes and outstanding delinquencies which are measurable as of June 30, 2017 and 2016 and for which there is an enforceable legal claim. At June 30, 2017, property taxes receivable were $107,914,034, four percent higher than the $103,737,736 June 30, 2016 receivable.

The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes. Deferred inflows in 2017 and 2016 respectively were $90,814,641 and $73,768,046.

Property Tax Abatements - The College does not enter into abatement agreements but the College does have reduced revenues as a result of other governments within the County entering into abatement agreements such as Enterprise Zone and Community Reinvestment Area abatements. County tax abatement agreements may reduce or eliminate resources available to the College in any specific year based on the type and length of the tax abatement agreements. For fiscal year 2017, the College's property taxes were reduced by an estimated $622,480 under various tax abatement agreements entered into by the subdivisions within the County as presented in the subsequent table.

Subdivision	2017 Taxes Abated
City of Cleveland	$164,485
City of Bedford	86,167
City of Strongsville	52,725
City of Glenwillow	41,982
City of Berea	41,522
City of Fairview Park	40,182
City of Solon	32,645
City of Oakwood	27,410
City of Mayfield Heights	24,703
City of Euclid	18,156
City of Cuyahoga Heights	16,979
City of Warrensville Heights	16,242
Cities of Berea/Olmsted Falls	13,593
City of Garfield Heights	12,445
Eleven cities with less than $10,000 in abated taxes	33,244
	$622,480

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

Note 9 – Defined Benefit Pension Plans

Net Pension Liability

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

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

Ohio Revised Code limits the College's obligation for this liability to annually required payments. The College cannot control benefit terms or the manner in which pensions are financed; however, the

College does receive the benefit of employees' services in exchange for compensation including pension.

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

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

Ohio Public Employees Retirement System (OPERS)

Plan Description – College employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. While members (e.g. College employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Plan or Combined Plans with only 4.7 percent of the College's employee/employer contributions in the 2016 measurement period were directed to the Member-Directed Plan, a defined contribution plan. In the previous 2015 measurement period, 5.5 percent of the College's employee/employer contributions were directed to OPERS' Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional as well as the Combined Plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that include financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/pubs-archive/financial/cafr/, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800)-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earning over a members career. Members who retire before meeting the age and years of service credit requirement for unreduced benefit receive a percentage reduction in the benefit amount.

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

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Plan (see OPERS CAFR referenced above for additional information). The formulas for 2017 remained the same as 2016.

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

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

When a benefit recipient retiring under the Traditional Plan has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided on the member's base benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Additionally, a death benefit of $500-2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Plan.

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

Benefits in the Combined Plan consist of both an age-and-service formula benefit (the defined benefit element) and a defined contribution element. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The subsequent table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Combined Pension Plan (see OPERS CAFR referenced above for additional information). The 2017 service formula used to compute the benefit remained unchanged from 2016.

OPERS – The Combined Plan service benefit formula varies from the Traditional plan and is in the table shown below:

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

Members retiring under the Combined Plan receive a 3 percent COLA on the defined benefit portion of their benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Additionally, a death benefit of $500-2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Combined Plan.

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

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

Funding Policy applicable to Traditional, Combined and Member-Directed plans: The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for public safety and law enforcement employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the state and local classifications. The Ohio Revised Code authorizes OPERS to calculate employee contribution rates for public safety employees and limits the law enforcement rate to the public safety rate plus an additional percent not to exceed 2 percent. Members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contribute 12 percent and 13 percent, respectively.

The College’s 2016/2017 contribution rate remained at 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. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of the employer’s contribution allocated to health care was 1.0 percent and 2.0 percent respectively for calendar years 2017 and 2016. The healthcare-redirected employer contribution funding percentage was reduced in 2017. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The College's contractually required contribution for the Traditional Plan net of post-employment health care benefits, for calendar year 2017 and 2016 was $7,987,032 and $8,149,241 respectively. The contractually required contribution for the Combined Plan net of post-employment health care benefits for fiscal year 2017 and 2016 was $231,564 and $227,864 respectively.

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The active member population which consists of members in the Traditional and Combined Plans is assumed to remain constant. For purposes of financing the unfunded actuarial accrued liabilities, total payroll is assumed to grow at the wage inflation rate indicated below.

The total pension liability actuarial valuations for the measurement periods December 31, 2016 and December 31, 2015 were determined using the actuarial assumptions that follow and as applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability - 2016		
Actuarial Information	**Traditional Plan**	**Combined Plan**
Valuation Date	December 31, 2016	December 31, 2016
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.50%	7.50%
Wage Inflation	3.25%	3.25%
Projected Salary Increase	3.25 - 10.75% (includes 3.25% wage inflation)	3.25 - 8.25% (includes 3.25% wage inflation)
COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.15% Simple	3% Simple through 2018 then 2.15% Simple

Key Methods and Assumptions Used in Valuation of Total Pension Liability - 2015		
Actuarial Information	**Traditional Plan**	**Combined Plan**
Valuation Date	December 31, 2015	December 31, 2015
Experience Study	5-year period ended December 31, 2010	5-year period ended December 31, 2010
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	8.00%	8.00%
Wage Inflation	3.75%	3.75%
Projected Salary Increase	4.25 - 10.05% (includes 3.75% wage inflation)	4.25 - 8.05% (includes 3.75% wage inflation)
COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.8% Simple	3% Simple through 2018 then 2.8% Simple

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For the current valuation, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. The most recent experience study was completed for the five-year period ended December 31, 2015.

For the prior valuation, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used. The prior experience study was completed for the five-year period ended December 31, 2010.

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested for the Defined Benefit portfolio 8.3 percent for 2016. The money-weighted rate of return, net of investment expenses was 0.4 percent for 2015.

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

The table below displays the Board-approved asset allocation policy for years 2016 and 2015 and the long-term expected real rates of return:

Asset Class	2016 Target Allocation	2016 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)	2015 Target Allocation	2015 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.0%	2.75%	23.0%	2.31%
Domestic Equities	20.7%	6.34%	20.7%	5.84%
Real Estate	10.0%	4.75%	10.0%	4.25%
Private Equity	10.0%	8.97%	10.0%	9.25%
International Equities	18.3%	7.95%	18.3%	7.40%
Other investments	18.0%	4.92%	18.0%	4.59%
Total	100.0%	5.66%	100.0%	5.27%

Discount Rate – The discount rate used to measure the total pension liability for 2016 and 2015 was 7.5 and 8.0 percent respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Office's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the College's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate:

College's proportionate share of Net Pension Liability/(Asset) - Public Employees Retirement	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Traditional Plan at June 30, 2017	$167,809,714	$109,843,000	$61,537,968
Combined Plan at June 30, 2017	$18,701	($260,208)	($476,873)

College's proportionate share of Net Pension Liability/(Asset) - Public Employees Retirement	1% Decrease 7.0%	Current Discount Rate 8.0%	1% Increase 9.0%
Traditional Plan at June 30, 2016	$134,439,337	$84,380,870	$42,158,134
Combined Plan at June 30, 2016	($4,871)	($237,033)	($423,777)

State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan benefits are established under Chapter 3307.80 to 3307.89 of the Ohio Revised Code. The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to help offset the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

A Defined Benefit or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2017, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The statutory member contribution rate was increased to 14 percent on July 1, 2016. The fiscal year 2017 contribution rates were equivalent to the statutory maximum rates.

The College's contractually required contributions to Ohio's State Teachers Retirement System for the fiscal years ended June 30, 2017 and June 30, 2016 were $8,010,719 and $7,949,331 respectively.

Actuarial Assumptions – STRS

Actuarial assumptions used in the June 30, 2017 and 2016 valuations were based on prior year measurement dates of June 30, 2016 and 2015 respectively. The actuarial assumptions used in these valuations are based on the results of an actuarial experience study effective July 1, 2012. The actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Key Methods and Assumptions Used in Valuation of Total Pension Liability - 2016 & 2015	
Actuarial Information:	**Assumptions:**
Inflation	2.75 percent
Projected salary increases	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.75 percent, net of investment expenses
Cost of Living Adjustmenst (COLA)	2 percent simple applied as follows:
	2% per year for members retiring before August 1, 2013;
	2% COLA on 5th anniversary of retirement for members

Actuarial assumptions used in the June 30, 2016 valuation are based on the results of an actuarial experience study, effective July 1, 2012. Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and not set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Domestic Equity	31%	8.00%
International Equity	26%	7.85%
Alternatives	14%	8.00%
Fixed Income	18%	3.75%
Real Estate	10%	6.75%
Liquidity Reserves	1%	3.00%
Total	100%	7.61%

*10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.50 percent and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent for both June 30, 2016 and 2015 measurement periods included in the pension liability and related deferred inflow and outflow calculations. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016 and 2015 measurement periods. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability for both years.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The table on the following page presents the College's proportionate share of the net pension liability as of the June 30, 2016 measurement date, calculated using the current period discount rate assumption of 7.75 percent, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate.

STRS net pension liability subject to changes in discount rate:

College's proportionate share of Net Pension Liability - State Teachers Retirement	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
at June 30, 2017	$239,719,396	$180,386,795	$130,336,253
at June 30, 2016	$207,206,189	$149,168,420	$100,088,835

Changes between Measurement Date and Report Date

In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend the cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall impact to the College's net pension liability is expected to be significant.

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

The net pension liability at June 30, 2017 was measured as of December 31, 2016 for OPERS and June 30, 2016 for STRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating entities. Subsequent payments made during the current fiscal year are accounted for as deferred outflows. The following table reflects the proportionate share of pension expense for the current and prior year. The related deferred outflows and inflows of resources associated with the pension liability are presented below and on the following page.

2017 Net Pension Assets & Liabilities

	OPERS Traditional	OPERS Combined	STRS	Total
Proportion of Net Pension (Asset) / Liability prior measurement date	0.487152%	(0.487100%)	0.539740%	
Proportion of Net Pension (Asset) / Liability current measurement date	0.483713%	(0.467523%)	0.538902%	
Change in Proportionate Share	(0.003439%)	0.019577%	(0.000838%)	
Proportionate Share of Net Pension Asset	$0	$260,208	$0	$260,208
Proportionate Share of Net Pension Liability	109,843,000	0	180,386,795	290,229,795
Pension Expense	$19,153,592	$77,324	$13,104,852	$32,335,768

For comparative purposes, the 2016 net pension liability for Ohio Public Employee Retirement System's Traditional and Combined Plans and State Teachers Retirement System's plan based on December 31, 2015 for OPERS and June 30, 2015 for STRS measurement dates follows.

2016 Net Pension Assets & Liabilities

	OPERS Traditional	OPERS Combined	STRS	Total
Proportion of Net Pension (Asset) / Liability prior measurement date	0.493176%	(0.493176%)	0.542760%	
Proportion of Net Pension (Asset) / Liability current measurement date	0.487152%	(0.487100%)	0.539740%	
Change in Proportionate Share	(0.006024%)	0.006076%	(0.003020%)	
Proportionate Share of Net Pension Asset	$0	$237,033	$0	$237,033
Proportionate Share of Net Pension Liability	84,380,870	0	149,168,420	233,549,290
Pension Expense	$11,613,282	($96,817)	$6,652,348	$18,168,813

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

At June 30, 2017, the College reported deferred outflow and inflow of resources related to pensions from the following sources:

2017 Deferred Outflow of Resources	OPERS Traditional	OPERS Combined	STRS	Total
Differences between expected and actual experience	$148,884	$0	$7,288,493	$7,437,377
College contributions subsequent to measurement date	4,542,834	120,493	8,010,719	12,674,046
Change in assumptions	17,422,444	63,418	0	17,485,862
Differences in employer contributions and change in proportionate share	0	8,134	0	8,134
Difference between projected and actual earnings on pension plan investments	16,358,158	63,487	14,976,950	31,398,595
Total Deferred Outflow of Resources	$38,472,320	$255,532	$30,276,162	$69,004,014

2017 Deferred Inflow of Resources	OPERS Traditional	OPERS Combined	STRS	Total
Differences between expected and actual experience	$653,731	$133,080	$0	$786,811
Differences in employer contributions and change in proportionate share	564,783	0	614,540	1,179,323
Total Deferred Inflow of Resources	$1,218,514	$133,080	$614,540	$1,966,134

Deferred outflows of $12,674,046 represents 2017 College contributions subsequent to the measurement date. These contributions will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Subsequent contributions recognized as deferred outflows in 2016 were $11,765,534 and thus reduced the current year net pension liability.

In 2016, the Deferred Outflows and Inflows related to Pension Liability were as follows:

2016 Deferred Outflow of Resources	OPERS Traditional	OPERS Combined	STRS	Total
Differences between expected and actual experience	$0	$0	$6,800,197	$6,800,197
College contributions subsequent to measurement date	3,709,506	106,697	7,949,331	11,765,534
Differences in employer contributions and change in proportionate share	0	1,580	0	1,580
Difference between projected and actual earnings on pension plan investments	24,802,704	102,342	0	24,905,046
Total Deferred Outflow of Resources	$28,512,210	$210,619	$14,749,528	$43,472,357

2016 Deferred Inflow of Resources	OPERS Traditional	OPERS Combined	STRS	Total
Differences between expected and actual experience	$1,630,402	$108,161	$0	$1,738,563
Differences in employer contributions and change in proportionate share	479,373	0	484,119	963,492
Difference between projected and actual earnings on pension plan investments	0	0	10,728,029	10,728,029
Total Deferred Inflow of Resources	$2,109,775	$108,161	$11,212,148	$13,430,084

Other amounts reported as deferred outflow of resources and deferred inflow of resources, including change in proportionate share, difference between expected and actual experience and difference in projected versus actual earnings on pensions investments are amortized as pension expense over subsequent periods.

Amortization of Deferred Outflow/Inflow - 2018 forward

	OPERS Traditional	**OPERS Combined**	**STRS**	**Total**
2018	$13,357,444	$13,348	$3,341,398	$16,712,190
2019	14,030,634	13,348	3,341,398	17,385,380
2020	5,802,394	10,602	9,088,476	14,901,472
2021	(479,500)	(11,895)	5,879,631	5,388,236
2022	0	(9,521)	0	(9,521)
2023-2025	0	(13,923)	0	(13,923)
	$32,710,972	$1,959	$21,650,903	$54,363,834

Alternative Retirement Plan

Plan Description – An Alternative Retirement Plan (ARP) is a defined contribution pension plan, under IRS Section 401(a), and established by Ohio Amended Substitute House Bill 586 (ORC 3305.02) on March 31, 1998, for public institutions of higher learning. The College's Board of Trustees adopted the ARP on February 5, 1999. Full-time administrative and professional staff are eligible to choose a provider, in lieu of STRS and OPERS, from the list of six providers currently approved by the Ohio Department of Insurance and who hold agreements with the College. New employees who qualify for the ARP have 120 days from date of hire to make an irrevocable election to participate in the ARP. For employees who elected participation in ARP, employee contributions to STRS and OPERS were transferred from those plans and invested in individual accounts established with one of the six providers. Employee and employer contributions equal to those required by OPERS and STRS are required for the ARP, less any amounts required to be remitted to the state retirement system in which the employee would otherwise have been enrolled.

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

Funding Policy under STRS plans: The Ohio Revised Code provides statutory authority for member and employer contributions. Under this plan, employees who would have otherwise been required to participate in STRS or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of six private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the specific state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Department of Higher Education. That amount is 4.5 percent for STRS and 0.77 percent for OPERS for the years ended June 30, 2017 and 2016. The employer also contributes what would have been the employer's contribution under STRS or OPERS, less the aforementioned percentages, to the private provider selected by the employee.

The employee contribution rates for the current and preceding two fiscal years follow:

Employee Contribution Rates						
	STRS		OPERS		OPERS Law Enforcement	
Period	Traditional	ARP	Traditional & Combined	ARP	Traditional	ARP
7/1/16-6/30/17	14.0%	14.0%	10.0%	10.0%	13.0%	13.0%
7/1/15-6/30/16	13.0%	13.0%	10.0%	10.0%	13.0%	13.0%
7/1/14-6/30/15	12.0%	12.0%	10.0%	10.0%	13.0%	13.0%

The employer contribution rates for the current and preceding two fiscal years follow:

Employer Contribution Rates								
	STRS			OPERS			OPERS Law Enforcement	
Period	Traditional	ARP		Traditional & Combined	ARP		Traditional	ARP
		STRS	ARP		OPERS	ARP		
7/1/16-6/30/17	14.00%	4.50%	9.50%	14.00%	0.77%	13.23%	18.10%	18.10%
7/1/15-6/30/16	14.00%	4.50%	9.50%	14.00%	0.77%	13.23%	18.10%	18.10%
7/1/14-6/30/15	14.00%	4.50%	9.50%	14.00%	0.77%	13.23%	18.10%	18.10%

The College's required contributions for pension obligations to the plan for the fiscal years ended June 30, 2017 and 2016 were $1,025,154 and $1,039,996 respectively. The College has contributed 100 percent of the annual required contributions for all years. Contributions by plan members for the fiscal years ended June 30, 2017 and 2016 were $956,648 and $957,429 respectively.

Note 10 – Post-Employment Benefits

Ohio Public Employees Retirement System

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

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-

Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2016 was 4.0 percent.

Substantially all of the College's contribution allocated to fund postemployment health care benefits relate to the cost-sharing, multiple employer trusts. The College's contributions allocated to fund post-employment health care benefits for the fiscal years ended June 30, 2017, 2016 and 2015 were \$1,094,678, \$1,414,766 and \$1,295,392 respectively. The full amounts were contributed for fiscal years ending June 30, 2017, 2016 and 2015.

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 partial 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 discretionary 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. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For the fiscal years ended June 30, 2017, June 30, 2016 and June 30, 2015, STRS Ohio did not allocate any employer contributions to post-employment health care.

Note 11 – Long-Term Obligations

	Outstanding June 30, 2016	Additions	Deductions	Outstanding June 30, 2017	Due in One Year
General Receipt Bonds					
2009 Series C Bonds	$24,925,000	$0	($5,055,000)	$19,870,000	$5,305,000
Premium on Bonds	322,444	0	(89,984)	232,460	0
Total Series C Bonds	25,247,444	0	(5,144,984)	20,102,460	5,305,000
2012 Series D Bonds	19,220,000	0	(825,000)	18,395,000	855,000
Premium on Bonds	2,163,814	0	(134,538)	2,029,276	0
Total Series D Bonds	21,383,814	0	(959,538)	20,424,276	855,000
2016 Series E Bonds	65,130,000	0	(445,000)	64,685,000	170,000
Premium on Bonds	10,077,539	0	(800,864)	9,276,675	0
Total Series E Bonds	75,207,539	0	(1,245,864)	73,961,675	170,000
Total General Receipt Bonds	121,838,797	0	(7,350,386)	114,488,411	6,330,000
Certificates of Participation					
2009 Certificates of Participation	6,310,000	0	(5,600,000)	710,000	710,000
Discount on Certificates	(10,880)	0	9,228	(1,652)	0
Total 2009 Certificates of Participation	6,299,120	0	(5,590,772)	708,348	710,000
2017 Certificates of Participation	0	5,245,000	(75,000)	5,170,000	67,000
Total Certificates of Participation	6,299,120	5,245,000	(5,665,772)	5,878,348	777,000
Net Pension Liability					
OPERS	84,380,870	25,462,130	0	109,843,000	0
STRS	149,168,420	31,218,375	0	180,386,795	0
Total Net Pension Liability	233,549,290	56,680,505	0	290,229,795	0
Other Long-Term Obligations					
Capital Leases	22,221,254	1,203,000	(5,538,425)	17,885,829	5,798,108
Compensated Absences	7,728,542	1,150,624	(853,375)	8,025,791	1,017,531
Claims and Other Liabilities	3,360,905	10,437,095	(10,172,303)	3,625,697	2,023,839
Total Other Long-Term Obligations	33,310,701	12,790,719	(16,564,103)	29,537,317	8,839,478
Total Long-Term Liabilities	$394,997,908	$74,716,224	($29,580,261)	$440,133,871	$15,946,478

The College issued $5.245 million of Series 2017 Certificates of Participation in March of 2017 to refund $4.9 million of its Series 2009 Certificates. Additional details follow under the 2017 Certificates of Participation Refunding header.

Other changes in long-term obligations of the College during fiscal years 2017 and 2016 include payment of principle and interest on general receipt bonds and the existing and new certificates of participation. Capital leases for building improvements to meet new energy efficiency standards and for software and computer equipment continue to decrease as they are amortized over related lease periods. Other long-term obligations include those associated with employee benefit plans that include pension liabilities and sick and vacation liabilities referred to as compensated absences. The net pension liability reflects the College's proportionate share of the multi-employer plans managed by the State of Ohio and not necessarily the obligations created by State ordinance as the College pays 100 percent of its legal requirement. There is no repayment schedule for the net pension liability. For additional information related to the net pension liability see Note 9.

Changes in long-term obligations of the College for fiscal year ended June 30, 2016 are presented in the following table.

	Principal Outstanding June 30, 2015	Additions	Deductions	Principal Outstanding June 30, 2016	Amount Due in One Year
General Receipt Bonds					
2009 Series C Bonds	$94,490,000	$0	($69,565,000)	$24,925,000	$5,055,000
Premium on Bonds	1,324,775	0	(1,002,331)	322,444	0
Total Series C Bonds	95,814,775	0	(70,567,331)	25,247,444	5,055,000
2012 Series D Bonds	20,015,000	0	(795,000)	19,220,000	825,000
Premium on Bonds	2,298,352	0	(134,538)	2,163,814	0
Total Series D Bonds	22,313,352	0	(929,538)	21,383,814	825,000
2016 Series E Bonds	0	65,130,000	0	65,130,000	445,000
Premium on Bonds	0	10,325,140	(247,601)	10,077,539	0
Total Series E Bonds	0	75,455,140	(247,601)	75,207,539	445,000
Total General Receipt Bonds	118,128,127	75,455,140	(71,744,470)	121,838,797	6,325,000
Certificates of Participation					
2009 Certificates of Participation	6,970,000	0	(660,000)	6,310,000	685,000
Discount on Certificates	(12,255)	0	1,375	(10,880)	0
Total 2009 Certificates of Participation	6,957,745	0	(658,625)	6,299,120	685,000
Net Pension Liability					
OPERS	59,482,538	24,898,332	0	84,380,870	0
STRS	132,018,030	17,150,390	0	149,168,420	0
Total Net Pension Liability	191,500,568	42,048,722	0	233,549,290	0
Other Long-Term Obligations					
Capital Leases	26,299,706	1,350,000	(5,428,452)	22,221,254	5,538,426
Compensated Absences	7,661,561	927,795	(860,814)	7,728,542	979,845
Claims and Other Liabilities	3,541,828	10,836,846	(11,017,769)	3,360,905	1,766,840
Total Other Long-Term Obligations	37,503,095	13,114,641	(17,307,035)	33,310,701	8,285,111
Total Long-Term Liabilities	$354,089,535	$130,618,503	($89,710,130)	$394,997,908	$15,295,111

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, with 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. On February 10, 2016, the College issued $65,130,000 of Series E General Receipts Refunding Bonds to refund $64,720,000 of 2009 Series C General Receipts Bonds maturing on and after February 1, 2021.

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

Maturity Date	Mandatory Redemption Date	Principal
August 1, 2020	February 1, 2020	$2,370,000
	August 1, 2020	2,560,000
August 1, 2020 (B)	August 1, 2020	1,150,000

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.

Series D General Receipts Refunding Bonds -Sinking Fund

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

2016 Series E General Receipts Refunding Bonds

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

On March 9, 2016, the net proceeds were placed in the Refunding Escrow Fund to be used to redeem the bonds being refunded. Accordingly, the refunded debt liability as of June 30, 2016 for those refunded bonds of $64,720,000 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 $6.26 million over the next thirteen years and obtained an economic gain (difference between the present values of the old and new debt service payments discounted at the effective interest rate) of $5.50 million.

Principal and interest requirements to retire the general receipt bonds follow.

Fiscal Year	Principal	Interest	Total
2018	$6,330,000	$4,381,331	$10,711,331
2019	6,635,000	4,081,238	10,716,238
2020	6,940,000	3,769,825	10,709,825
2021	7,280,000	3,434,375	10,714,375
2022	7,630,000	3,081,125	10,711,125
2023-2027	42,890,000	10,663,274	53,553,274
2032-2033	25,245,000	2,154,775	27,399,775
Total	$102,950,000	$31,565,943	$134,515,943

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

2009 Certificates of Participation, Refunding and 2017 Certificates of Participation

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

On March 1, 2017, the College issued $5,245,000 in Certificates of Participation to refund $4,915,000 of Series 2009 Certificates of Participation maturing on and after June 1, 2019 plus accrued interest.

2009 Certificates of Participation Refunded

Outstanding at June 30, 2016	$6,310,000
Amount refunded, March 1, 2017	(4,915,000)
	1,395,000
Principal Payment on Non-Refunded Portion	(685,000)
Outstanding at June 30, 2017	$710,000

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

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

Fiscal Year	Principal	Interest	Total
2018	$777,000	$143,577	$920,577
2019	803,000	113,685	916,685
2020	822,000	95,795	917,795
2021	842,000	77,483	919,483
2022	861,000	58,725	919,725
2023-2024	1,775,000	59,527	1,834,527
Total	$5,880,000	$548,792	$6,428,792

Note 12 – Lease Commitments

Capital Leases – The College has entered into lease agreements for building improvements and equipment which are considered capital assets. The College's lease obligations meet the criteria of a capital lease and have been recorded in the financial statements. Amortization of capital lease assets are included in depreciation expense. The original amounts capitalized for the capital leases and the book values as of June 30, 2017 and June 30, 2016 are as follows:

Capitalized Assets:	**2017**	**2016**
Building Improvements	$24,019,829	$22,573,211
Equipment - Servers	3,158,310	3,606,714
Equipment - General	12,291,166	11,316,936
Construction in Process	0	816,100
Subtotal of Assets	39,469,305	38,312,961
Less: Accumulated Depreciation	(16,387,410)	(12,728,312)
Current Book Value	$23,081,895	$25,584,649

The 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, 2017 is presented on the following page.

Future minimum lease payments as of June 30, 2017:

Fiscal Year	Amount
2018	$6,198,391
2019	3,548,559
2020	2,267,494
2021	1,736,632
2022	867,064
2023-2030	4,917,991
Total minimum lease payments	19,536,131
Less amount representing interest	(1,650,302)
Present value of net minimum lease payments	$17,885,829

Periodically, the College enters into a capital lease to purchase information technology equipment for College facilities. 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 $1,203,000 and $1,350,000 in fiscal years 2017 and 2016 respectively.

Operating Leases – The College leases office space under non-cancelable operating leases. The College's annual rent expense under current leases was $547,400 for the year ended June 30, 2017. The College's future minimum rental payments under these operating leases with remaining terms in excess of one year as of June 30, 2017 are as follows:

Year	Amount
2018	$562,734
2019	427,618
2020	391,983
Total	$1,382,335

The College also acted as the lessor for four operating lease agreements with outside entities during fiscal year 2017. As of June 30, 2017, the buildings associated with these operating leases had a total cost of $6,806,691 with accumulated depreciation totaling $1,878,621.

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 originally commenced on October 1, 2002. This lease was amended and restated on July 30, 2015. The amended and restated lease is for a period of three years and has fixed monthly rentals of $12,030. The lease provides for four additional, annual renewals at the option of the tenant. Rental increases go into effect for each renewal term, increasing to $21 per square foot for the first renewal term, and an additional dollar per square foot each renewal term thereafter. Rent revenue for this lease was $133,005 and $189,047 in fiscal years 2017 and 2016 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 $24,970 in fiscal year 2017 as compared to $29,246 in the prior fiscal year.

On October 26, 2011, the College entered into a lease agreement to lease the third floor and portions of the first floor of the 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. The College terminated the month-to-month warehouse rental that was included in the lease agreement on March 8, 2016 which reduced monthly rent revenue by $895. Rent revenue for this lease was $203,321 in fiscal year 2017 and $203,270 in fiscal year 2016.

On August 1, 2014, the College entered into a lease agreement to lease certain space within the College's Corporate College East location. The lease is an operating lease for a five-year period with fixed annual rentals of $427,625 ending July 31, 2019. Rent revenue for this lease was $427,625 in both fiscal years 2017 and 2016.

On December 21, 2007, the College entered into a lease agreement to lease certain space within each campus to a credit union. The lease was an operating lease which commenced on January 1, 2008. The original three year lease expired on December 31, 2010. This lease was extended through May 16, 2016, at which time the lease terminated. Rent revenue in the fiscal year 2017 and 2016 was $0 and $8,835 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 was an operating lease which commenced on March 7, 2011 and expired on March 6, 2014. Monthly rent was $18 per square foot plus additional amounts for furnishings and improvements. The lease provided 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. Although the lease agreement was terminated, the lessee was required to pay $1,322 per month for improvements made to the premises by the College through March 6, 2016, at which the requirement for such payments terminated. Rent revenue comprised of lease improvements was $0 and $13,224 in fiscal years 2017 and 2016.

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

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

Health Care Benefits

The College has elected to provide a comprehensive medical benefits package to full-time employees through either a self-insured plan (see Note 14) or fully-insured programs. This package provides a choice of comprehensive medical plans, prescription and dental plans, and is administered by Sibson Consulting located in Cleveland, Ohio. The College also provides life insurance for its employees.

Retiree Death Benefits

The College offers death benefits to eligible retirees as its only post-employment benefit aside from pension and health benefits available through a multi-employer plan administered by the State of Ohio through OPERS and STRS (see Note 9 for additional details). The retiree death benefit plan is administered by the College and does not issue a stand-alone financial report. Cuyahoga Community College and its Board of Trustees may amend or terminate this benefit through Board action without prior notice. There are no employee contributions made into this plan and the College is funding the plan with a pay as you go methodology whereby the College recognizes a future liability in its financial statements, but currently does not set aside assets or provide related fiduciary responsibilities with respect to plan funding.

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. Benefits are not based on covered payroll.

The College's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) are amortized over a period not to exceed thirty years. The following table shows the components of the College's annual OPEB cost for the year and changes in the College's net OPEB obligation to the plan for the fiscal years ended June 30:

	6/30/2017	6/30/2016	6/30/2015
Annual required contribution	$72,000	$65,000	$64,000
Interest on net OPEB obligation	42,000	39,000	45,000
Adjustments to annual required contribution	(93,000)	7,000	(148,000)
Annual OPEB cost (expense)	21,000	111,000	(39,000)
Contributions made	72,000	65,000	64,000
Change in net OPEB obligation	(51,000)	46,000	(103,000)
Net OPEB obligation - beginning of year	759,000	713,000	816,000
Net OPEB obligation - end of year	$708,000	$759,000	$713,000

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	6/30/2017	6/30/2016	6/30/2015
Annual OPEB Cost	$72,000	$65,000	$64,000
% of Annual OPEB Cost Contributed	100%	100%	100%
Net OPEB Liability	$708,000	$759,000	$713,000

The funded status of the plan for both June 30, 2017 and June 30, 2016 is indicated below:

Funded Status	**2017**	**2016**
Actuarial accrued liability (AAL)	$1,844,000	$1,789,000
Actuarial value of plan assets	1,164,000	1,136,000
Unfunded actuarial accrued liability (UAAL)	$680,000	$653,000
Funded rate (actuarial value of plan assets/AAL)	63%	63%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, is intended to present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

The 2017 actuarial evaluation for the current retiree population is based on the following facts and assumptions:

- Current retiree population is 927 with a total death benefit of $2,051,000
- Mortality: 1994 GAR table
- Interest Rate of 5.5 percent
- The actuary used the aggregate cost method

There are no assets specifically reserved for the funding of this benefit but an accrued liability has been established for the Present Value Retiree Death Benefit 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 year 2017 for specific types of insurance.

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. Insurance policies in place during fiscal year 2017 include those listed on the following page.

Type of Coverage	Coverage	
Educators' Legal Liability (D & O)	$5,000,000	Each Loss/EachPolicy 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/Aggregate
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
Cyber Liability Policy	$2,000,000	Maximum Limit

Self-Insurance

The College is self-insured for disability, workers' compensation, retiree death benefit and certain employee health care benefits. 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 fiscal years 2017 and 2016 resulted from the following:

	Health Care			Worker's Compensation		
	2017	**2016**	**2015**	**2017**	**2016**	**2015**
Liability at the beginning of year	$1,448,627	$1,468,900	$1,243,000	$191,323	$246,706	$274,484
Current year claims, net of changes in estimates	9,611,544	10,398,447	9,589,743	422,361	231,751	184,500
Claim payments	(9,511,271)	(10,418,720)	(9,363,843)	(275,760)	(287,134)	(212,278)
Liability at end of year	$1,548,900	$1,448,627	$1,468,900	$337,924	$191,323	$246,706

	Disability			Retiree Death		
	2017	**2016**	**2015**	**2017**	**2016**	**2015**
Liability at the beginning of year	$431,000	$522,000	$612,000	$1,136,000	$1,130,000	$1,103,000
Current year claims, net of changes in estimates	348,390	152,981	152,709	54,800	26,667	64,333
Claim payments	(348,390)	(243,981)	(242,709)	(26,800)	(20,667)	(37,333)
Liability at end of year	$431,000	$431,000	$522,000	$1,164,000	$1,136,000	$1,130,000

Self-insured liabilities presented above totaled $3,481,824 of which $2,023,839 represent current obligations at June 30, 2017 and $3,206,950 for fiscal year ended June 30, 2016 of which $1,766,840 represented current obligations. Other miscellaneous liabilities (unclaimed funds and self-insured, professional liability) amounted to $143,873 and $153,955 as of June 30, 2017 and 2016 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, 2017.

Pollution Remediation

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* the College is required to recognize and disclose estimated costs for cleanup of pollution that the College may have an obligation to remediate. In its efforts to refurbish and expand its facilities, the College works proactively to identify and address any environmental remediation obligations in a timely manner. Currently, the College is not aware of any projects that would warrant recognizing any additional obligations. The College had recorded liabilities as of June 30, 2016 totaling $532,257 primarily for the removal and disposal of contaminated soil discovered at the former Crile Hospital site in Parma, OH. The remediation work has been completed and funds associated with remediation have been expended.

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.

Note 16 – Contractual Commitments

As of June 30, 2017 and 2016, the College had $27,038,118 and $6,164,453 in various contractual purchase commitments outstanding, respectively. A significant portion of the increase in 2017 contractual commitments is related to current capital improvement projects whereas the year end open commitments in 2016 included general operating fund maintenance and other expenditures.

Project	Open Encumbrance at 6/30/2017	Open Encumbrance at 6/30/2016
Metro Campus Center Building renovation	$18,641,589	$1,329,201
Westshore Phase 2 Building expansion	2,046,236	0
West Campus Science & IT addition	1,886,447	790,000
Deferred maintenance	1,335,532	1,270,590
Manufacturing Technology Center consolidation	147,770	1,094,465
Public Safety Training Center, Phase 2	841,722	0
Metro Campus Center Swing Space	566,629	753,607
Advanced Technology Training Center Lab addition	607,383	0
Pollution Remediation	0	532,257
Campus and general furniture and equipment	243,650	0
Crile Police and Fire renovation	112,548	0
Professional Fees, Capital Plan	109,337	0
Westshore /Corporate College West renovation	76,734	0
Veteran's Center West	74,546	0
Metro Plaza upgrades and structural renovation	67,060	0
Unisex restroom renovation	53,037	0
East Campus laboratories	50,000	0
Various projects under $50,000	177,898	394,333
	$27,038,118	$6,164,453

Note 17 – Discretely Presented Component Unit

1. Description of Organization

The Cuyahoga Community College Foundation (the "Foundation") was incorporated in August 1973 as a tax-exempt, nonprofit 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.

The Foundation accounts for income taxes in accordance with the "Income Taxes" topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Uncertain income tax positions are evaluated at least annually by management. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation files its Form 990 in the U.S. federal jurisdiction and the office of the state's attorney general for the State of Ohio.

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.

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 FASB which established the 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.

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 and capital gains 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. For the year ending June 30, 2017, the Foundation provides for uncollectible pledges receivable using the allowance method. Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as 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 Unitrust – The Foundation is the beneficiary of a charitable remainder unitrust for which the Foundation is not the trustee. The Foundation recognizes the present value of the estimated future benefits to be received when the unitrust assets are distributed as temporarily restricted contribution revenue and as a receivable.

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

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

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

Annuities Payable – The Foundation is obligated under 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 percent to 3.0 percent.

Subsequent Events – The Foundation has evaluated subsequent events through December 6, 2017, which is the date the financial statements were available to be issued and has determined that no reporting is necessary.

Recent Accounting Pronouncements – In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, “Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities” (ASU 2016-14). The purpose of ASU 2016-14 is to improve the current net asset classification requirements and the information presented in financial statements about a not-for-profit entity’s liquidity, financial performance, and cash flows. Organizations may use either a full retrospective or a modified retrospective approach to adopt ASU 2016-14. ASU 2016-14 is effective for annual reporting periods beginning after December 15, 2017, and interim reporting periods within annual reporting periods beginning after December 15, 2018. Earlier application is permitted. The Foundation will be evaluating the potential impact of adopting this guidance on its financial statements.

In May 2015, the FASB issued Accounting Standards Update (ASU) No. 2015-07, “Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)” (ASU 2015-07). The purpose of ASU 2015-07 is to remove the requirement to categorize within the fair value hierarchy all investments where fair value using the net asset value per share is used as a practical expedient. Organizations should apply the amendment using a retrospective approach to all periods presented. ASU 2015-07 is effective for annual reporting periods beginning after December 15, 2016. Earlier application is permitted. The Foundation will be evaluating the potential impact of adopting this guidance on its financial statements.

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	2017	2016
Mutual Funds	$57,964,998	$48,253,634
Common Stock	338,770	258,968
Alternative Investments	8,108,932	7,697,540
Total	$66,412,700	$56,210,142

The investments are exposed to various risks such as interest rate, market, and credit risks. The Foundation is required to give up to 90 days advance notice of its intent to withdraw from the alternative investments.

4. Contributions Receivable

For fiscal years 2017 and 2016, the recorded value of contributions receivable is the present value of estimated future cash receipts using a discount rate of 4.75 percent. Management has established an allowance of 0.5 percent of gross contributions receivable for uncollectible promises to give. Amounts due are as follows:

	2017	2016
Less than one year	$2,619,430	$4,090,663
One to five years	2,257,203	2,178,774
Six to ten years	90,076	2,500
Totals	4,966,709	6,271,937
Unamortized Discount	(274,264)	(148,126)
Allowance for Uncollectible Pledges	(24,834)	(31,360)
Total	$4,667,611	$6,092,451

5. Beneficial Interest in Remainder Unitrust

The beneficial interest in the charitable remainder unitrust totaled $458,438 and $373,768 at June 30, 2017 and 2016, respectively, representing the estimated portion of the unitrust 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 totaled $141,780 and $144,942 at June 30, 2017 and 2016, respectively.

7. Related Party Transactions

The Foundation recognized contributions and special events revenue from the College during the years ended June 30, 2017 and 2016 of $870,874 and $1,158,452, respectively. The amounts owed to the Foundation as of June 30, 2017 and 2016 are $54,005 and $62,742, 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 $227,268 and $185,468 of contributed services as contribution revenue and as administrative, general, and fundraising expenses in fiscal years 2017 and 2016.

The Foundation received grants restricted for educational development programs at the College from various donors of $3,532,134 and $3,825,166 in fiscal years 2017 and 2016, 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 $2,937,540 and $1,543,516 as of June 30, 2017 and 2016, 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:

	2017	2016
Scholarships	$1,500,549	$1,347,002
Educational Development	4,840,294	3,403,587
Special Events	10,699	25,054
Other	34,546	55,664
Totals	$6,386,088	$4,831,307

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:

	2017	2016
Scholarships	$53,456,134	$44,101,062
Educational Development	4,852,775	4,698,210
Special Events	598,376	608,051
Totals	$58,907,285	$49,407,323

Permanently restricted net assets are subject to the donor's restriction that the principal remain invested in perpetuity. The donor may also restrict the income and capital gains on these net assets.

Permanently restricted net assets are invested to generate income to support the following purposes at June 30:

	2017	2016
Scholarships	$3,037,160	$2,978,160
Educational Development	11,500,000	11,484,885
Totals	$14,537,160	$14,463,045

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 percent after deducting for advisory, money management, custodial fees, and total transaction costs.

To obtain a total return on the portfolio, net of all investment related fees, that exceeds the total return of the policy benchmark.

Performance will be evaluated versus achievement of spending policy and comparisons to a similar set of investments.

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

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

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

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

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation

- The expected total return from income and the appreciation of investments
- Other resources of the College
- 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 Foundation to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature that are reported in unrestricted net assets were $0 and $336,606 as of June 30, 2017 and 2016, respectively. These deficits resulted from unfavorable market fluctuations that occurred after the investment of newly established endowments.

The Foundation's endowment fund activity was as follows for the year ended June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	($336,606)	$42,477,361	$13,811,493	$55,952,248
Investment return:				
Investment income	0	1,046,718	0	1,046,718
Net appreciation (realized and unrealized)	336,606	6,301,521	0	6,638,127
Total investment return	336,606	7,348,239	0	7,684,845
Contributions and transfers	0	4,288,844	392,333	4,681,177
Appropriation of endowment assets for expenditure	0	(1,394,417)	0	(1,394,417)
Endowment net assets, end of year	$0	$52,720,027	$14,203,826	$66,923,853

Below is a reconciliation of permanently restricted net assets included in the endowment fund to total permanently restricted net assets:

	2017
Permanently restricted net assets within the endowment fund	$14,203,826
Permanently restricted contributions included in pledges receivable	333,334
Total permanently restricted net assets	$14,537,160

The Foundation's endowment fund activity was as follows for the year ended June 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	($65,557)	$41,779,749	$8,453,854	$50,168,046
Investment return:				
Investment income	0	892,107	0	892,107
Net depreciation (realized and unrealized)	(271,049)	(1,893,175)	0	(2,164,224)
Total investment return	(271,049)	(1,001,068)	0	(1,272,117)
Contributions and transfers	0	3,051,106	5,357,639	8,408,745
Appropriation of endowment assets for expenditure	0	(1,352,426)	0	(1,352,426)
Endowment net assets, end of year	($336,606)	$42,477,361	$13,811,493	$55,952,248

Below is a reconciliation of permanently restricted net assets included in the endowment fund to total permanently restricted net assets:

	2016
Permanently restricted net assets within the endowment fund	$13,811,493
Permanently restricted contributions included in pledges receivable	651,552
Total permanently restricted net assets	$14,463,045

10. Fair Value Measurements

Generally accepted accounting principles provides 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, 2017 and 2016. The financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels. The table does not include cash on hand or other assets and liabilities that are measured at historical cost or any basis other than fair value.

Financial assets consisted of the following at June 30, 2017:

	Level 1	Level 2	Level 3	Total
Investments:				
Common Stock	$338,770	$0	$0	$338,770
Equity Mutual Funds				
Domestic Large-Cap	18,271,623	0	0	18,271,623
Domestic Mid-Cap	2,801,756	0	0	2,801,756
Domestic Small-Cap	2,227,987	0	0	2,227,987
Long-Short Equity	1,761,238	0	0	1,761,238
Global	3,865,150	0	0	3,865,150
International	13,246,122	0	0	13,246,122
Fixed Income Mutual Funds	15,791,122	0	0	15,791,122
Alternative Investments	0	0	8,108,932	8,108,932
Total Investments	$58,303,768	$0	$8,108,932	$66,412,700
Beneficial Interest in Remainder Unitrust	$0	$0	$458,438	$458,438
Cash Surrender Value of Insurance	0	0	141,780	141,780
Total	$58,303,768	$0	$8,709,150	$67,012,918

Financial assets consisted of the following at June 30, 2016:

	Level 1	Level 2	Level 3	Total
Investments:				
Common Stock	$258,968	$0	$0	$258,968
Equity Mutual Funds				
Domestic Large-Cap	15,723,600	0	0	15,723,600
Domestic Mid-Cap	2,427,745	0	0	2,427,745
Domestic Small-Cap	1,562,215	0	0	1,562,215
Global	3,829,524	0	0	3,829,524
International	10,315,705	0	0	10,315,705
Fixed Income Mutual Funds	14,394,845	0	0	14,394,845
Alternative Investments	0	0	7,697,540	7,697,540
Total Investments	$48,512,602	$0	$7,697,540	$56,210,142
Beneficial Interest in Remainder Unitrust	$0	$0	$373,768	$373,768
Cash Surrender Value of Insurance	0	0	144,942	144,942
Total	$48,512,602	$0	$8,216,250	$56,728,852

For the years ended June 30, 2017 and 2016, the changes in assets measured using significant unobservable inputs (Level 3) were as follows:

	2017	2016
Beginning Balance	$8,216,250	$3,573,091
Purchases	400,000	5,150,000
Sales	(650,000)	0
Unrealized Gains (Losses)	742,900	(506,841)
Ending Balance	$8,709,150	$8,216,250

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

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

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

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 unitrust as calculated annually according to IRS Publication 1458, Actuarial Valuations. As such, the fair value of the beneficial interest is considered to be determined based on Level 3 inputs.

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

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Required Supplementary Information

Cuyahoga Community College implemented the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB 27*.

This section of the Cuyahoga Community College Comprehensive Annual Financial Report present supplementary information as a context for further understanding of the College's implementation of GASB 68.

Cuyahoga Community College

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

Ohio Public Employees Retirement System - Traditonal Plan

Last Four Years [(1)]

	2017	2016
College's Proportion of the Net Pension Liability	0.483713%	0.487152%
College's Proportionate Share of the Net Pension Liability	$109,843,000	$84,380,870
College's Covered Payroll	$67,488,751	$65,681,465
College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	162.76%	128.47%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	77.25%	81.08%

[(1)] Although this schedule is intended to show information for ten years, information prior to 2014 is not available. Additional years will be presented as the information becomes available. Amounts presented for each fiscal year were determined as of the College's measurement date for the OPERS plan which is December 31.

2015	2014
0.493176%	0.493176%
$59,482,538	$58,139,025
$64,793,902	$63,947,879
91.80%	90.92%
86.45%	86.36%

Cuyahoga Community College

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

Ohio Public Employees Retirement System - Combined Plan

Last Four Years [(1)]

	2017	2016
College's Proportion of the Net Pension (Asset) / Liability	(0.467523%)	(0.487100%)
College's Proportionate Share of the Net Pension Asset	($260,208)	($237,033)
College's Covered Payroll	$1,820,490	$1,772,645
College's Proportionate Share of the Net Pension (Asset) / Liability as a Percentage of its Covered Payroll	(14.29%)	(13.37%)
Plan Fiduciary Net Position as a Percentage of the total Pension (Asset) / Liability	(116.60%)	(116.90%)

[(1)] Although this schedule is intended to show information for ten years, information prior to 2014 is not available. Additional years will be presented as the information becomes available. Amounts presented for each fiscal year were determined as of the College's measurement date for the OPERS plan which is December 31.

2015	2014
(0.493176%)	(0.450200%)
($189,884)	($198,967)
$1,730,404	$1,716,834
(10.97%)	(11.59%)
(114.83%)	(104.72%)

Cuyahoga Community College

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

State Teachers Retirement System of Ohio

Last Four Years [1]

	2017	2016
College's Proportion of the Net Pension Liability	0.538902%	0.539740%
College's Proportionate Share of the Net Pension Liability	$180,386,795	$149,168,420
College's Covered Payroll	$56,780,936	$56,312,850
College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	317.69%	264.89%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	66.80%	72.10%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. Additional years will be presented as the information becomes available. Amounts presented for each fiscal year were determined as of the College's measurement date for the prior year STRS plan which has a fiscal year end of June 30.

2015	2014
0.542760%	0.542760%
$132,018,030	$157,259,014
$58,826,877	$57,442,977
224.42%	273.77%
74.70%	69.30%

Cuyahoga Community College
Schedule of College Contributions
Ohio Public Employees Retirement System - Traditonal Plan
Last Ten Fiscal Years

	2017	2016	2015	2014
Contractually Required Contribution	$7,987,032	$8,149,241	$7,835,651	$7,738,698
Contribution in Relation to the Contractually Required Contribution	(7,987,032)	(8,149,241)	(7,835,651)	(7,738,698)
Contribution Deficiency (Excess)	$0	$0	$0	$0
College Payroll[1]	$63,439,492	$67,404,805	$64,811,009	$64,062,070
Contribution as a Percentage of Covered Payroll	12.59%	12.09%	12.09%	12.08%

[1] Employer contributions are the same as contractually required contributions.

2013	2012	2011	2010	2009	2008
$8,230,683	$6,508,918	$6,286,079	$5,455,794	$4,528,351	$3,653,920
(8,230,683)	(6,508,918)	(6,286,079)	(5,455,794)	(4,528,351)	(3,653,920)
$0	$0	$0	$0	$0	$0
$62,877,639	$64,508,603	$62,300,089	$60,085,837	$52,777,984	$52,348,424
13.09%	10.09%	10.09%	9.08%	8.58%	6.98%

Cuyahoga Community College

Schedule of College Contributions

Ohio Public Employees Retirement System - Combined Plan

Last Ten Fiscal Years

	2017	2016	2015	2014
Contractually Required Contribution	$231,564	$227,864	$220,845	$202,174
Contribution in Relation to the Contractually Required Contribution	(231,564)	(227,864)	(220,845)	(202,174)
Contribution Deficiency (Excess)	$0	$0	$0	$0
College Payroll[1]	$1,852,509	$1,898,868	$1,840,378	$1,617,388
Contribution as a Percentage of Covered Payroll	12.50%	12.00%	12.00%	12.50%

[1] Employer contributions are the same as contractually required contributions.

2013	2012	2011	2010	2009	2008
$172,128	$126,177	$172,941	$159,692	$151,789	$138,926
(172,128)	(126,177)	(172,941)	(159,692)	(151,789)	(138,926)
$0	$0	$0	$0	$0	$0
$1,679,293	$1,682,363	$2,002,794	$1,677,440	$1,747,712	$1,736,599
10.25%	7.50%	8.64%	9.52%	8.69%	8.00%

Cuyahoga Community College

Schedule of College Contributions

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

	2017	2016	2015	2014
Contractually Required Contribution	$8,010,719	$7,949,331	$7,883,799	$7,647,494
Contribution in Relation to the Contractually Required Contribution	(8,010,719)	(7,949,331)	(7,883,799)	(7,647,494)
Contribution Deficiency (Excess)	$0	$0	$0	$0
College Payroll[1]	$57,219,421	$56,780,936	$56,312,850	$58,826,877
Contribution as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%

[1] Employer contributions are the same as contractually required contributions.

2013	2012	2011	2010	2009	2008
$7,467,587	$7,692,021	$7,676,859	$7,317,183	$6,514,097	$6,300,700
(7,467,587)	(7,692,021)	(7,676,859)	(7,317,183)	(6,514,097)	(6,300,700)
$0	$0	$0	$0	$0	$0
$57,442,977	$59,169,392	$59,052,762	$56,286,023	$50,108,438	$48,466,923
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Cuyahoga Community College

Schedule of Post-Employment Benefit Funding

Last Three Fiscal Years

	2017	2016	2015
Actuarial Value of Assets	$1,164,000	$1,136,000	$1,130,000
Actuarial Accrued Liability (AAL)	1,844,000	1,789,000	1,758,000
Unfunded AAL (UAAL)	($680,000)	($653,000)	($628,000)
Funded Ratio	63.12%	63.50%	64.28%
Covered Payroll (see Note 14)	n/a	n/a	n/a

Changes in Assumptions – OPERS Traditional and Combined Plans

Amounts reported for fiscal year 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

	Fiscal Year 2017	Fiscal year 2016 and Prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation at 3.25 percent	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For the current valuation, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

For the prior valuation, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

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Statistical Section

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

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

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

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

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

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

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

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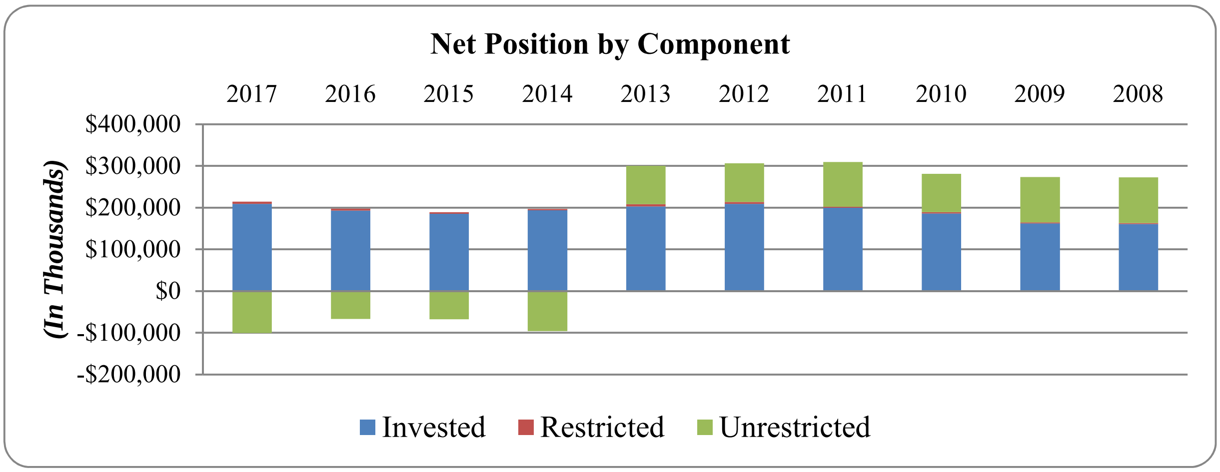
Statistical Section

Cuyahoga Community College

Schedule of Net Position by Component

Last Ten Fiscal Years (Dollars in Thousands)

	2017 (1)	2016 (1)	2015 (1)	2014 (1)
Net Investment in Capital Assets	$209,165	$193,448	$185,116	$193,676
Restricted for Other Purposes - Expendable	5,114	4,026	4,443	2,949
Unrestricted (Deficit)	(100,053)	(66,382)	(67,248)	(95,674)
Total Net Position	$114,226	$131,092	$122,311	$100,951



Source: College Financial Audit Reports

(1) The effects of GASB 68 are presented for fiscal years 2017, 2016, 2015 and 2014 but GASB 68 was not implemented for 2014.

2013	2012	2011	2010	2009	2008
$203,309	$209,467	$199,797	$186,530	$162,435	$160,745
4,711	3,956	2,760	2,528	2,598	2,315
92,715	92,933	106,702	92,340	108,742	109,729
$300,735	$306,357	$309,259	$281,398	$273,775	$272,789

Cuyahoga Community College

Schedule of Expenses by Program

Last Ten Fiscal Years (Dollars in Thousands)

	2017 (2)	2016 (2)	2015 (2)	2014
Instruction and Department Research	$96,972	$91,430	$89,337	$91,090
Public Service	14,292	13,453	11,502	13,570
Academic Support	29,035	24,394	23,056	23,150
Student Services	26,375	24,582	22,825	22,719
Institutional Support	54,386	47,665	42,173	44,132
Operation and Maintenance of Plant	32,340	27,976	26,427	28,224
Student Aid	26,972	31,173	34,842	39,543
Depreciation	23,186	23,891	23,585	24,015
Auxiliary Enterprises	12,416	13,517	14,249	14,489
Total Operating Expenses	315,974	298,081	287,996	300,932
Interest on Capital Debt	4,902	5,513	6,272	6,521
Other	384	0	0	0
Total Nonoperating Expenses	5,286	5,513	6,272	6,521
Total Expenses	$321,260	$303,594	$294,268	$307,453

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.

(2) The College implemented GASB 68 for fiscal year 2015 and forward which required an adjustment to operating expenses for proportionate share of net pension liabilities. The 2015 adjustment was a reduction of $3.8 million in pension expense. In 2016, the change in net pension liability increased pension expense by $2.4 million. Pension expense increased $19.7 million in fiscal year 2017.

2013	2012	2011 (1)	2010	2009	2008
$89,668	$88,810	$87,056	$81,905	$77,391	$70,910
15,367	21,060	16,994	12,819	10,078	9,743
22,841	23,967	24,051	22,325	21,694	20,242
22,348	21,429	21,713	21,180	19,950	18,682
42,595	40,242	38,793	37,130	37,759	34,757
24,784	24,434	25,358	27,977	28,207	23,300
39,412	40,588	46,092	35,877	30,658	23,746
24,948	21,566	21,267	20,165	15,895	17,382
15,328	15,473	16,143	14,512	12,966	11,093
297,291	297,569	297,467	273,890	254,598	229,855
6,609	6,351	5,711	3,375	3,028	2,699
123	0	0	197	27	105
6,732	6,351	5,711	3,572	3,055	2,804
$304,023	$303,920	$303,178	$277,462	$257,653	$232,659

Cuyahoga Community College

Schedule of Revenues by Source

Last Ten Fiscal Years (Dollars in Thousands)

	2017	2016	2015	2014
Student Tuition and Fees	$43,107	$44,035	$46,498	$49,098
Federal Grants and Contracts	8,437	8,808	8,964	9,304
State and Local Grants and Contracts	1,362	1,686	1,376	1,104
Private Grants and Contracts	6,244	5,009	6,474	3,318
Sales and Services	7,391	7,333	7,221	6,881
Auxiliary Enterprises	14,135	15,555	16,507	16,814
Other Operating Revenues	3,192	3,469	3,759	3,389
Total Operating Revenues	83,868	85,895	90,799	89,908
State Appropriations	71,092	67,814	63,828	59,457
Property Taxes	94,495	111,972	101,588	93,359
Federal Grants and Contracts	36,205	43,250	49,437	53,195
State Grants and Contracts	595	163	40	0
Gain on Sale of Assets	0	0	0	28
Unrestricted Investment Income	8,897	(454)	2,550	10,979
Restricted Investment Income	22	13	11	6
Other Nonoperating Revenues	0	108	62	61
Total Nonoperating Revenues	211,306	222,866	217,516	217,085
Total Revenues	$295,174	$308,761	$308,315	$306,993

Source: College Financial Audit Reports

Note: Minor differences in totals may result due to rounding to thousands in the statistics tables. Financial statements are presented in whole dollars.

(1) In 2011, the College eliminated direct loan revenues and expenses on the financial statements.

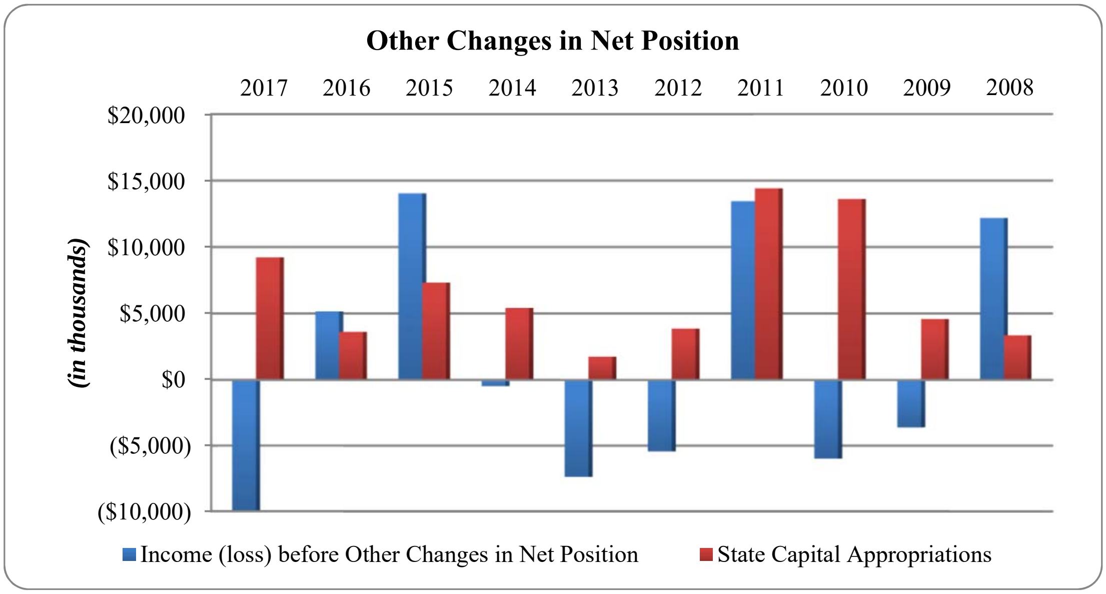
(2) In 2008, the College reclassified certain federal and state grants to nonoperating based upon updated guidance from GASB.

2013	2012	2011 (1)	2010	2009	2008 (2)
$46,972	$41,911	$42,000	$40,906	$36,859	$34,518
11,183	16,856	13,538	9,349	7,004	5,711
994	1,010	4,221	681	923	535
5,055	4,469	3,818	3,067	3,871	3,134
6,960	7,197	6,368	6,117	5,989	5,631
17,646	16,529	16,863	15,551	13,349	11,250
2,756	2,575	2,270	1,716	1,990	1,950
91,566	90,547	89,078	77,387	69,985	62,729
57,515	56,217	61,610	61,257	63,465	61,611
84,017	87,092	94,645	81,327	81,012	81,888
55,940	59,547	63,335	48,740	32,394	26,834
9	0	(213)	(172)	8,706	7,123
0	3,598	0	0	0	0
7,502	1,067	7,630	2,547	(1,711)	4,367
6	72	201	386	195	287
89	343	346	0	0	0
205,078	207,936	227,554	194,085	184,061	182,110
$296,644	$298,483	$316,632	$271,472	$254,046	$244,839

Cuyahoga Community College

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

	2017	2016	2015	2014
Income (loss) before Other Changes in Net Position	($26,085)	$5,167	$14,046	($459)
State Capital Appropriations	9,219	3,614	7,314	5,427
Total Change in Net Position	($16,866)	$8,781	$21,360	$4,968



Source: College Financial Audit Reports

2013	2012	2011	2010	2009	2008
($7,379)	($5,437)	$13,454	($5,990)	($3,606)	$12,180
1,757	3,869	14,407	13,613	4,592	3,358
($5,622)	($1,568)	$27,861	$7,623	$986	$15,538

Cuyahoga Community College

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years (Dollars in Thousands)

	Real Property				Tangible Personal Property General Business	
	Assessed Value					
Collection Year	Residential/ Agricultural	Commercial/ Industrial	Total	Estimated Actual Value	Assessed Value	Estimated Actual Value
2017	$18,837,520	$7,727,214	$26,564,734	$75,899,239	$0	$0
2016	18,786,256	7,801,504	26,587,760	75,965,030	0	0
2015	18,473,813	8,364,776	26,838,589	76,681,683	0	0
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

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. Property taxes in Cuyahoga County were revalued during the 2015 triennial property value update. Most properties in Cuyahoga County experienced a reduction in property values.

The assessed value of real property (including public utility real property) is 35 percent of true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. Tangible personal property was assessed in previous years at 25 percent for machinery. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assesed at 6.25 percent for 2008, and zero for 2009.
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 interexchange telephone companies at 5 percent for 2010. 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 were 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 a 10 percent and a 2 1/2 percent rollback, and the homestead exemptions before being billed.

Tangible Personal Property Public Utility		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
$1,059,011	$1,203,421	$27,623,744	$77,102,661	$3.9599
938,390	1,066,353	27,526,151	77,031,383	3.9446
894,864	1,016,891	27,733,453	77,698,574	3.9970
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

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

	2017		2016		2015		2014	
	Gross Rate	Effective Rate[1]	Gross Rate	Effective Rate[1]	Gross Rate	Effective Rate[1]	Gross Rate	Effective Rate[1]
Voted Millage - by Levy								
2002 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	$0.0000	$0.0000	$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	0.0000	0.0000
Tangible/Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2005 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	$1.2000	$1.1838	$1.2000	$1.1828	$1.2000	$1.2000	$1.2000	$1.2000
Commercial/Industrial	1.2000	1.1964	1.2000	1.1828	1.2000	1.1900	1.2000	1.1691
Tangible/Public Utility Personal	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000
2009 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	$1.9000	$1.8744	$1.9000	$1.8728	$1.9000	$1.9000	$1.9000	$1.9000
Commercial/Industrial	1.9000	1.8943	1.9000	1.8728	1.9000	1.9000	1.9000	1.9000
Tangible/Public Utility Personal	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
2014 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	$0.9000	$0.8879	$0.9000	$0.8871	$0.9000	$0.9000	$0.0000	$0.0000
Commercial/Industrial	0.9000	0.8973	0.9000	0.8871	0.9000	0.9000	0.0000	0.0000
Tangible/Public Utility Personal	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000	0.0000	0.0000
Total Effective Voted Millage by Type of Property								
Residential/Agricultural	$4.0000	$3.9461	$4.0000	$3.9428	$4.0000	$4.0000	$3.1000	$3.1000
Commercial/Industrial	4.0000	3.9881	4.0000	3.9428	4.0000	3.9900	3.1000	3.0691
Tangible/Public Utility Personal	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	3.1000	3.1000
Total Weighted Average Tax Rate		$3.9599		$3.9446		$3.9970		$3.0897

2013		2012		2011		2010		2009		2008	
Gross Rate	Effective Rate(1)	Gross Rate	Effective Rate(1)	Gross Rate	Effective Rate(1)	Gross Rate	Effective Rate(1)	Gross Rate	Effective Rate(1)	Gross Rate	Effective Rate(1)
$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$1.6000	$1.4222	$1.6000	$1.3115	$1.6000	$1.3100
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.6000	1.4651	1.6000	1.4580	1.6000	1.4544
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
$1.2000	$1.2000	$1.2000	$1.1765	$1.2000	$1.1765	$1.2000	$1.1751	$1.2000	$1.0836	$1.2000	$1.0824
1.2000	1.1606	1.2000	1.1158	1.2000	1.1158	1.2000	1.1163	1.2000	1.1109	1.2000	1.1082
1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000
$1.9000	$1.9000	$1.9000	$1.9000	$1.9000	$1.9000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
1.9000	1.9000	1.9000	1.8993	1.9000	1.8993	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
$3.1000	$3.1000	$3.1000	$3.0765	$3.1000	$3.0765	$2.8000	$2.5973	$2.8000	$2.3951	$2.8000	$2.3924
3.1000	3.0606	3.1000	3.0151	3.1000	3.0151	2.8000	2.5814	2.8000	2.5689	2.8000	2.5626
3.1000	3.1000	3.1000	3.1000	3.1000	3.1000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
	$3.0869		$3.0639		$3.0639		$2.6596		$2.5880		$2.5850

(continued)

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

	2017		2016		2015		2014	
	Gross Rate	Effective Rate(1)	Gross Rate	Effective Rate(1)	Gross Rate	Effective Rate(1)	Gross Rate	Effective Rate(1)
Overlapping Rates by Taxing District								
Cuyahoga County	$14.0500	$13.8802	$14.0500	$13.8698	$14.0500	$14.0195	$14.0500	$13.9495
Cities								
Bay Village	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000
Beachwood	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Bedford	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000
Bedford Heights	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000
Bentleyville	8.9000	7.5156	8.9000	7.5117	8.9000	7.5206	8.9000	7.5028
Berea	16.8000	12.7814	16.8000	12.7856	16.8000	12.7609	16.8000	12.7590
Bratenahl	15.0000	14.9046	15.0000	14.9081	16.0000	16.0000	16.0000	16.0000
Brecksville	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100
Broadview Heights	11.8200	9.2954	11.8200	9.2958	10.4000	7.9083	10.4000	7.3266
Brook Park	4.7500	4.6833	4.7500	4.6833	4.7500	4.6764	4.7500	4.6694
Brooklyn	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000
Chagrin Falls	9.3000	8.6901	9.4000	8.7842	9.3000	8.9221	9.5000	9.1218
Cleveland	10.1500	10.1241	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
Cleveland Heights	13.9200	13.9200	13.9200	13.9200	13.9200	13.9200	12.9000	12.9000
Cuyahoga Heights	4.4000	4.4000	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	12.7000	12.7000
Euclid	13.6000	7.4435	13.6000	7.4252	13.6000	7.3102	13.6000	7.2808
Fairview Park	11.8000	11.5640	11.8000	11.5636	11.8000	11.6115	11.8000	11.6106
Garfield Heights	25.8100	25.8100	27.2000	27.2000	27.2000	27.2000	27.0000	27.0000
Gates Mills	11.2700	9.4637	14.4000	12.6041	14.4000	13.0219	14.4000	12.9965
Glenwillow	1.8000	1.7741	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
Highland Hills	13.1500	9.3158	20.7000	12.4473	20.7000	11.0053	20.7000	10.9855
Highland Heights	3.3500	3.3241	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Hunting Valley	7.8500	7.8241	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000
Independence	1.8500	1.8241	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000
Lakewood	7.1300	7.1041	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000
Linndale	1.8000	1.7741	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
Lyndhurst	12.7500	12.7241	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000
Maple Heights	18.0500	18.0241	16.8000	16.8000	15.5000	15.5000	15.5000	15.5000
Mayfield	8.3500	5.2421	7.3000	4.2176	7.3000	4.2208	7.3000	4.2193
Mayfield Heights	8.6700	8.6441	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Middleburg Heights	6.5000	5.7308	5.4500	4.7066	5.4500	4.7068	5.4500	4.7065
Moreland Hills	11.7000	11.6483	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000
Newburg Heights	29.1500	28.3233	31.8000	30.9649	31.8000	30.6399	31.8000	30.5869
North Olmsted	14.5500	14.5241	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000
North Randall	3.3500	3.0792	4.8000	4.5551	4.8000	4.4616	4.8000	4.4577
North Royalton	8.2500	6.0446	8.2000	6.0196	8.2000	6.0518	8.2000	6.0491
Oakwood	2.4500	2.4241	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
Olmsted Falls	14.0000	11.1257	13.3500	10.5030	13.3500	10.5637	13.3500	10.3201
Orange	5.5500	5.5241	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000
Parma	6.2500	6.2241	7.5000	7.5000	7.6000	7.5510	7.1000	6.7841
Parma Heights	10.6500	10.6241	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Pepper Pike	9.9500	9.7794	9.5000	9.3558	9.5000	9.1995	9.5000	9.3947
Richmond Heights	17.6500	15.2983	18.1000	15.7728	18.1000	15.7457	18.1000	15.7130
Rocky River	9.0200	8.9941	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000
Seven Hills	11.1900	10.9789	11.1000	10.9096	11.2000	11.2000	11.2000	11.2000
Shaker Heights	7.6500	7.6241	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000
Solon	3.4500	3.2746	3.8000	3.6505	3.8000	3.6722	3.8000	3.6715
South Euclid	17.3500	17.2865	16.3500	16.2817	16.3500	16.2605	16.3500	16.1215
Strongsville	10.5500	8.3868	9.3000	7.1672	9.8000	7.7790	9.8000	7.7831
University Heights	12.6000	12.5741	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
Valleyview	4.1500	4.1204	6.7000	6.7000	6.7000	6.7000	6.7000	6.7000
Walton Hills	1.8000	1.7741	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Warrensville Heights	10.5500	7.4467	9.7000	6.6175	9.7000	6.4330	9.7000	6.4212
Westlake	9.5700	9.5441	9.5200	9.5200	9.5200	9.5200	9.5200	9.5200
Woodmere	2.8500	2.8241	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000

2013		2012		2011		2010		2009		2008	
Gross Rate	Effective Rate[1]	Gross Rate	Effective Rate[1]	Gross Rate	Effective Rate[1]	Gross Rate	Effective Rate[1]	Gross Rate	Effective Rate[1]	Gross Rate	Effective Rate[1]
$13.2200	$12.9968	$13.2200	$12.7846	$13.3200	$12.8412	$13.3200	$12.8457	$13.3200	$12.6607	$13.4200	$11.8688
$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	12.8000	12.8000	12.8000	12.8000
21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000
8.9000	7.5004	8.9000	6.9159	8.9000	7.4721	8.9000	7.4705	8.9000	7.4564	8.9000	7.4530
16.8000	12.7570	17.2000	13.1350	17.2000	13.1343	17.2000	13.1337	17.2000	13.0431	16.2000	12.0540
16.1000	15.2035	16.0000	15.4864	16.0000	15.9972	15.5000	12.9000	15.5000	14.1134	14.0000	11.6432
8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.5000	8.5000	8.6000	8.6000
10.4000	7.3255	9.4000	6.3164	9.4000	6.3153	9.4000	6.3157	9.4000	6.2737	9.4000	6.2731
4.7500	4.6681	4.7500	4.6466	4.7500	4.6459	4.7500	4.6458	4.7500	4.6775	4.7500	4.6469
5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	6.9000	6.9000	6.9000	6.9000
9.5000	9.1096	11.2000	11.1847	11.2000	11.1828	11.2000	11.2000	11.2000	8.8401	15.6000	13.2379
12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
13.0000	13.0000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000
4.4000	4.4000	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	12.7000	12.7000
13.6000	7.2595	13.6000	6.3749	13.6000	6.3560	15.6000	6.8572	15.6000	6.5565	15.6000	6.5540
11.8000	11.6092	11.8000	11.5770	11.8000	11.5750	11.8000	11.5743	11.8000	11.5054	11.8000	11.5044
27.0000	27.0000	24.3000	24.3000	24.7000	24.7000	28.7000	28.7000	23.3000	23.3000	21.9000	21.9000
14.4000	12.9555	14.4000	12.7636	14.4000	12.7249	14.4000	12.7194	14.4000	12.1300	14.4000	12.0951
3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
20.7000	10.9774	20.7000	11.8205	20.7000	11.4924	20.7000	11.4894	20.7000	12.8525	20.7000	12.8036
4.0000	4.0000	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	5.1000	5.1000
2.2000	2.2000	2.2000	2.2000	2.6000	2.6000	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	17.4000	17.4000
2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	0.8000	2.8000	2.8000	2.8000
11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000
15.5000	15.5000	15.5000	15.5000	15.5000	15.4926	15.5000	15.5000	15.5000	15.5000	15.5000	14.7784
7.3000	4.2191	7.3000	4.1678	7.3000	4.1656	7.3000	4.1649	7.3000	4.1547	7.3000	4.1546
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
5.4500	4.7062	5.4500	4.6881	5.4500	4.6878	5.4500	4.6877	5.4500	4.6686	5.4500	4.6686
7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000
23.1000	23.1000	23.1000	22.7248	23.1000	22.6790	19.5000	17.9780	19.5000	16.8366	19.5000	16.8060
13.3000	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000	13.2000	13.2000	13.2000	13.2000
4.8000	4.4577	4.8000	4.2230	4.8000	4.2148	4.8000	4.2131	4.8000	4.1723	4.8000	4.1714
8.2000	6.0451	8.2000	5.9175	8.2000	5.9129	8.2000	5.9117	8.2000	5.7698	8.2000	5.7708
3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
14.5000	11.6940	14.4500	11.1585	14.2500	10.9706	15.2000	9.9418	15.7000	10.2462	16.5000	9.5842
7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000
7.1000	6.7819	7.1000	6.6287	7.1000	6.6274	7.1000	6.6267	7.1000	6.5166	7.1000	6.5160
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.2000	10.2000	10.2000	10.2000
9.5000	9.4655	9.5000	9.4933	9.5000	9.4989	9.5000	9.5000	9.5000	9.0676	9.5000	9.0548
18.1000	15.7356	18.1000	15.5444	18.1000	15.5394	17.0000	14.4382	17.0000	14.3041	17.0000	14.3033
10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000
9.7000	9.6644	9.5000	9.2063	9.2000	8.8225	9.2000	8.8251	9.2000	8.6128	9.2000	8.6075
9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000
3.8000	3.6705	3.8000	3.6580	3.9000	3.7565	3.9000	3.7563	4.1000	3.9417	4.1000	3.9411
13.1000	13.1000	13.1000	13.1000	13.1000	13.1000	14.9000	13.2321	14.9000	13.1066	14.7000	12.9048
9.9000	7.4794	9.9000	7.4089	9.9000	7.3637	9.9000	7.3603	9.9000	7.2089	10.1000	6.1886
13.2000	13.2000	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	6.7000	6.7000	6.7000	6.7000	7.1000	5.3339	7.1000	5.3333
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
9.7000	6.4193	9.7000	6.6205	9.7000	5.5887	9.7000	5.5887	9.7000	5.4808	13.2000	6.5852
9.5200	9.5200	9.6000	9.6000	9.6000	9.6000	9.6000	9.6000	9.6000	9.6000	9.8000	9.8000
4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000

(continued)

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

	2017		2016		2015		2014	
	Gross Rate	Effective Rate(2)	Gross Rate	Effective Rate(2)	Gross Rate	Effective Rate(2)	Gross Rate	Effective Rate(2)
Townships								
Chagrin Falls	$0.8000	$0.8000	$0.8000	$0.8000	$0.4000	$0.4000	$0.4000	$0.4000
Olmsted	25.8500	16.0412	27.5000	17.7328	27.5000	18.0081	23.5000	14.0481
Special Districts								
Chagrin Falls Township Fire District	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000
Cleveland Heights Library	10.0000	8.2156	10.0000	8.2030	10.0000	8.1722	7.8000	5.9232
Cleveland Library	9.9000	9.4047	6.8000	6.3455	6.8000	6.3380	6.8000	6.3345
Cleveland Metro Parks	2.7500	2.7112	2.7500	2.7119	2.7500	2.7368	2.7500	2.7046
Cleveland Cuyahoga Port Authority	0.1300	0.1127	0.1300	0.1127	0.1300	0.1127	0.1300	0.1106
Cuyahoga County Library	2.5000	2.4707	2.5000	2.4695	2.5000	2.5000	2.5000	2.5000
East Cleveland Library	7.0000	7.0000	7.0000	7.0000	7.0000	6.8799	7.0000	6.8699
Euclid Library	5.6000	5.5731	5.6000	5.6000	5.6000	5.6000	4.0000	4.0000
Lakewood Library	3.1000	3.0582	3.5000	2.3492	3.5000	2.5231	3.5000	2.5158
Rocky River Library	13.9000	11.9097	6.1000	4.6625	6.1000	5.0923	6.1000	5.0851
Shaker Heights Library	3.4500	3.2746	4.0000	3.8073	4.0000	4.0000	4.0000	4.0000
Westlake Library	1.9000	1.8743	2.8000	2.6632	2.8000	2.8000	2.8000	2.8000
Joint Vocational Schools								
Cuyahoga Valley JVS	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000
Polaris JVS	3.0900	2.9588	2.4000	2.2699	2.4000	2.1745	2.4000	2.3311
Schools								
Bay Village City	$122.4100	$57.7192	$116.8100	$52.0512	$116.8100	$55.4302	$116.8100	$55.3710
Beachwood City	86.4000	40.4945	86.4000	40.4524	86.4000	41.8402	86.4000	41.7664
Bedford City	151.4400	90.4089	75.7200	45.1652	75.7200	44.7465	70.8200	39.7646
Berea City	82.2000	48.6417	78.0000	44.4553	78.7000	44.7135	78.8000	44.7727
Brecksville-Broadview Heights City	77.0000	38.9209	77.0000	38.9563	77.0000	39.9725	77.2000	40.1206
Brooklyn City	59.8000	49.5834	59.8000	49.8372	60.2000	51.7532	60.1000	51.5968
Chagrin Falls Exempted Village	115.2000	53.2459	115.3000	53.3127	115.3000	54.2390	115.6000	54.4484
Cleveland Heights - University Heights City	155.5900	87.4551	149.5900	81.3081	149.5900	80.9511	149.5900	80.3810
Cleveland Municipal	79.3000	52.5271	79.3000	52.4795	79.4000	52.1999	79.8000	52.4272
Cuyahoga Heights Local	35.7000	30.1164	35.7000	30.1361	35.7000	29.9292	35.7000	29.9081
East Cleveland City	95.1000	57.7160	95.1000	57.5531	94.1000	49.5689	94.1000	49.1233
Euclid City	110.9200	7.9000	102.0200	77.3439	101.6000	75.9075	100.7000	74.7478
Fairview Park City	98.6200	56.9657	96.1700	54.4973	96.4700	57.0918	96.4700	57.0551
Garfield Heights City	87.7600	78.4876	81.0600	71.6367	81.0600	74.0316	78.2600	71.0127
Independence Local	36.7000	34.7328	36.1000	34.1022	35.8000	34.3753	36.0000	34.5646
Lakewood City	122.7300	62.8527	122.7300	62.8665	123.2300	66.6502	123.2300	66.5450
Maple Heights City	91.5000	76.8867	88.7000	74.0557	88.2000	72.8876	81.2000	65.6009
Mayfield City	90.7200	53.8387	84.1200	47.2295	84.1200	47.5242	84.2200	47.5784
North Olmsted City	96.9000	59.7380	96.9000	59.7329	96.9000	60.7606	91.4000	55.2378
North Royalton City	65.7000	41.6366	65.7000	41.6407	65.7000	41.8761	65.7000	41.8733
Olmsted Falls City	100.4000	54.0416	102.2000	55.8188	102.2000	56.6998	102.2000	56.7414
Orange City	91.2000	45.6792	91.2000	45.6578	91.1000	47.5692	91.1000	47.2718
Parma City	75.8100	55.3674	75.7100	55.2463	75.5100	54.6272	75.7000	54.7813
Richmond Heights Local	87.9000	52.4409	87.9000	52.4040	87.9000	51.7942	87.9000	51.6553
Rocky River City	89.5500	46.3520	89.5500	46.2970	89.5500	49.5457	89.5500	49.5067
Shaker Heights City	186.7300	94.7243	186.7300	94.5621	186.8300	99.0736	179.9300	91.7270
Solon City	82.2000	47.2525	82.2000	47.2543	82.2000	49.6833	82.2000	49.6144
South Euclid-Lyndhurst City	107.7000	66.6670	107.8000	66.9334	107.6000	66.9823	107.4000	66.5513
Strongsville City	81.7800	41.0288	81.7800	41.0607	81.7800	41.9228	81.6800	41.8543
Warrensville City	92.4000	68.0382	91.7000	67.2653	91.8000	64.3691	91.8000	64.1855
Westlake City	70.2000	36.1210	70.1000	36.0546	70.1000	37.3163	70.1000	37.3110

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

2013		2012		2011		2010		2009		2008	
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)	Gross Rate	Effective Rate(2)
$0.4000	$0.4000	$0.4000	$0.4000	$0.4000	$0.4000	$0.4000	$0.4000	$0.4000	$0.4000	$0.4000	$0.4000
23.4000	14.0382	23.5000	13.8235	23.5000	13.8021	21.5000	11.7057	21.5000	11.0654	21.5000	11.0986
$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000
7.8000	5.9072	7.8000	5.7108	7.8000	5.6651	7.8000	5.6651	7.8000	5.3894	5.9000	3.4793
6.8000	6.3284	6.8000	6.2210	6.8000	6.2177	6.8000	6.2168	6.8000	6.1703	6.8000	4.9006
1.8500	1.7917	1.8500	1.7354	1.8500	1.8106	1.8500	1.7249	1.8500	1.6698	1.8500	1.6720
0.1300	0.1098	0.1300	0.1033	0.1300	0.1029	0.1300	0.1027	0.1300	0.0947	0.1300	0.0946
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.0000	1.8086
7.0000	6.8644	7.0000	6.4283	7.0000	6.3968	7.0000	6.3814	7.0000	6.0101	7.0000	6.0080
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	3.5000	3.4743	3.5000	3.1234	3.5000	3.1204
3.5000	2.5044	3.5000	2.3751	3.5000	2.3552	3.5000	2.3537	3.5000	2.1997	3.5000	2.1935
6.1000	5.0714	6.1000	5.0526	6.1000	5.0286	6.1000	5.0245	6.1000	4.7476	6.1000	4.7376
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	3.1836
2.8000	2.8000	2.8000	2.8000	2.8000	2.7737	2.8000	2.8000	2.8000	2.8000	2.5000	2.1276
$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000
2.4000	2.3285	2.4000	2.3285	2.4000	2.1821	2.4000	2.0076	2.4000	2.0000	2.4000	2.0000
$116.8100	$55.2862	$116.8100	$55.2862	$114.9500	$52.9108	$108.8500	$46.7716	$108.8500	$45.8465	$108.8500	$45.7500
86.4000	41.7386	86.4000	41.7386	86.4000	41.0169	83.9000	38.4659	83.9000	36.3519	82.3000	34.7835
71.3000	40.1211	71.3000	40.1211	72.5000	38.6990	72.5000	38.6966	67.6000	30.9966	67.6000	31.0146
78.9000	44.8301	78.9000	44.8301	74.9000	38.5574	75.0000	38.6450	74.9000	35.9563	74.9000	35.9966
77.2000	40.0657	77.2000	40.0657	77.2000	39.1176	77.3000	39.1700	77.1000	37.2338	77.1000	37.1756
48.7000	40.1574	48.7000	40.1574	47.2000	34.2129	47.0000	35.0838	46.4000	32.9276	39.5000	26.0149
115.6000	54.2652	115.6000	54.2652	107.7000	47.3264	108.6000	48.2245	108.6000	47.8160	108.3000	47.4618
143.7000	74.3049	143.7000	74.3049	136.8000	64.3156	136.8000	64.1928	136.7000	60.2978	136.7000	60.1573
79.8000	52.1165	79.8000	52.1165	64.8000	31.5069	64.8000	31.4601	64.8000	29.0766	64.8000	29.0506
35.7000	29.8753	35.7000	29.8753	28.8000	22.4628	29.0000	22.6478	28.9000	22.4516	28.9000	22.4422
94.1000	48.8796	94.1000	48.8796	93.0000	39.9056	92.5000	39.2650	92.1000	35.4764	92.1000	35.4561
98.4000	72.2593	98.4000	72.2593	89.9000	54.4667	89.9000	54.4663	85.2000	46.1446	78.2000	39.1132
97.7000	58.2264	97.7000	58.2264	97.6000	56.7442	97.4000	56.5150	96.1000	51.9219	96.0000	51.7746
74.2600	66.8432	74.2600	66.8432	56.3000	42.1197	56.5000	42.3215	54.6000	40.1189	54.5000	40.0213
35.2000	33.7028	35.2000	33.7028	31.9000	29.8969	32.0000	30.0066	31.4000	29.2735	31.5000	29.3471
115.4000	58.5508	115.4000	58.5508	115.4000	56.4020	107.9000	48.8809	107.2000	45.9650	106.9000	45.5754
78.8000	63.1265	78.8000	63.1265	71.9000	47.4149	71.9000	47.4149	63.4000	37.4302	62.9000	36.1949
84.2200	47.5219	84.2200	47.5219	74.2000	49.7767	78.3200	40.0985	78.3200	38.1502	71.4200	31.2351
91.4000	55.2266	91.4000	52.5975	91.4000	52.5281	83.5000	44.5988	83.5000	41.1735	83.5000	41.1462
65.7000	41.5099	65.7000	41.0277	65.8000	41.0839	65.5000	41.1462	58.8000	33.7000	59.6000	34.5000
102.2000	56.6655	102.2000	56.6655	101.7000	54.1712	93.0000	45.4561	91.9000	41.6942	91.8000	41.6553
91.1000	47.1990	91.1000	47.1990	86.1000	41.8247	86.0000	41.6958	86.0000	40.1499	86.0000	40.0270
74.1000	53.1403	74.1000	53.1403	66.1000	42.4584	66.0000	42.3449	65.1000	38.8681	61.4000	35.1460
87.9000	51.5573	87.9000	51.5573	82.6000	41.3640	82.6000	41.3343	78.6000	33.6185	78.6000	33.5915
89.4500	49.3321	89.4500	49.3321	84.3000	43.9489	82.7000	42.3267	82.7000	40.8212	77.1000	35.1664
180.1300	91.8009	180.1300	91.8009	180.1300	85.7364	170.6000	76.1047	170.6000	71.0032	170.3000	70.4688
82.2000	49.5169	82.2000	49.5169	82.2000	48.1861	75.5000	41.4665	75.3000	39.9335	75.3000	39.8732
107.4000	66.4279	107.4000	66.4279	101.6000	55.3403	101.6000	55.2645	101.5000	50.6368	96.2000	45.2685
81.6800	41.8388	81.6800	41.8388	81.1900	40.2545	81.2000	40.3511	81.2000	38.2267	81.3000	38.3385
89.1000	61.4471	89.1000	61.4471	89.5000	51.1160	90.8000	51.9727	90.1000	49.6729	90.1000	49.6674
70.1000	37.2584	70.1000	37.2584	70.1000	36.6681	66.7000	33.2708	66.5000	31.7454	66.5000	31.7267

Cuyahoga Community College

Principal Real Property Taxpayers

2016 and 2007

Taxpayer	2016 Collection Year Real Property Assessed Value	Percent of Real Property Assessed Value
Cleveland-Cuyahoga County Port Authority	$108,879,830	0.40 %
City of Cleveland [1]	103,624,010	0.38
Key Center Properties, LLC	80,915,000	0.29
Southpark Mall, LLC	72,455,110	0.26
Progressive Casualty, Inc.	68,023,610	0.25
Beachwood Place, LTD	67,284,080	0.24
Optima Properties, LLC	54,551,000	0.20
Eaton Corporation	50,208,980	0.18
CP Commercial Delaware, LLC	46,863,810	0.17
Rock Ohio Caesars Cleveland LLC	45,641,450	0.17
Totals	$698,446,880	2.54 %
Total Real Property Assessed Valuation	$27,526,151,060	

Taxpayer	2007 Collection Year Real Property Assessed Value	Percent of Real Property Assessed Value
Cleveland Electric Illuminating Company	$439,372,000	1.44 %
Cleveland Clinic Foundation [2]	163,527,000	0.54
City of Cleveland	157,218,000	0.52
Ohio Bell Telephone	99,819,000	0.33
American Transmission	65,941,000	0.22
Ford Motor Company	64,404,000	0.21
Case Western Reserve	59,632,000	0.20
East Ohio Gas	59,563,000	0.20
Beachwood Place, LTD	56,898,000	0.19
ArcelorMittal	56,076,000	0.18
Totals	$1,222,450,000	4.03 %
Total Real Property Assessed Valuation	$30,415,208,000	

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

(1) Includes, among other things, the following properties which are subject to ad valorem taxation: land comprising the site of the Cleveland Browns Stadium, various municipal parking lots, and areas of Cleveland Hopkins International Airport and Burke Lakefront Airport that are leased to third parties.

(2) County records show The Cleveland Clinic Foundation to have real property assessed valuation of $408,436,105 and University Hospital to have real property assessed valuation of $85,220,420. These taxpayers have applied for property tax exemptions relative to a significant portion of the assessed valuation and were subsequently granted this exemption in 2015.

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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)]
2016	$108,923	$102,714	94.3 %	$3,394	$106,109
2015	110,824	101,389	91.5	4,080	105,469
2014	86,010	77,996	90.7	3,471	81,467
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

Source: College and Cuyahoga County, Ohio financial records.

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

(2) The 2017 information cannot be presented because all collections have not been made by June 30, 2017.

(3) The College's tax levy increased by 0.9 mills in 2015 and 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 Tax to Total Tax Levy
97.4 %	$15,280	14.0 %
95.2	25,114	22.7
94.7	18,335	21.3
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

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
2017	$104.54	$3,136.20	$0.00	0.00 %
2016	104.54	3,136.20	0.00	0.00
2015	104.54	3,136.20	99.90	3.29
2014	101.21	3,036.30	99.90	3.40
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

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
2017	$114,488,411	$0	$5,878,348	$17,885,829	$138,252,588	$5,784.63	N/A	0.179 %
2016	121,838,797	0	6,299,120	22,221,254	150,359,171	6,268.36	$120.35	0.195
2015	118,128,127	0	6,957,745	26,299,706	151,385,578	5,948.59	120.54	0.195
2014	123,790,193	0	7,596,371	21,361,753	152,748,317	5,635.64	121.25	0.197
2013	129,257,260	0	8,214,997	19,668,927	157,141,184	5,182.41	124.40	0.202
2012	134,534,328	0	8,813,622	23,737,849	167,085,799	5,311.22	131.97	0.199
2011	139,091,603	0	9,392,248	25,024,632	173,508,483	5,473.63	136.59	0.206
2010	143,918,977	0	9,955,873	25,724,268	179,599,118	6,008.27	140.30	0.215
2009	149,561,351	0	0	28,557,944	178,119,295	6,838.12	139.62	0.178
2008	27,211,243	20,932,655	0	31,306,018	79,449,916	3,284.82	61.93	0.080

Source: College Financial Audit Reports

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 headcount 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] Principal	Interest	Total	Coverage Ratio
2017	67,825,437	12,416,278	$55,409,159	$6,325,000	$4,382,273	$10,707,273	5.2
2016	70,391,597	13,516,908	56,874,689	5,640,000	5,542,725	11,182,725	5.1
2015	73,985,185	14,249,044	59,736,141	5,430,000	5,764,050	11,194,050	5.3
2014	76,182,112	14,488,750	61,693,362	5,235,000	5,951,025	11,186,025	5.5
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

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, D and E bonds. Series A bonds were retired in fiscal year 2015.

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)
2016	1,249,352	n/a	n/a	5.9 %	$27,623,744
2015	1,255,921	$60,919,487	$48,506	5.5	27,526,151
2014	1,259,828	61,128,130	48,521	5.8	27,733,453
2013	1,263,154	59,739,324	47,294	7.5	27,694,841
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	29,796,665
2010	1,280,122	55,817,159	43,603	9.0	29,826,341
2009	1,275,709	52,803,092	41,391	9.2	29,593,695
2008	1,282,880	53,946,514	42,051	7.1	31,880,329
2007	1,295,958	52,893,000	40,814	6.1	32,460,486

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

Note: Total personal income not available for 2016.
2017 information not available.

[1] Based on collection year.

Cuyahoga Community College
Principal Employers
(Ranked by the Number of Full-Time Equivalent Employees)
2017 and Ten Years Ago

	2016 [1]	
Employer [2]	**Employees**	**Percent of Total County Employment**
Cleveland Clinic Health System	31,668	5.4 %
University Hospitals Health System	16,595	2.8
U.S. Office of Personnel Management	11,536	2.0
Progressive Group of Insurance Cos.	8,765	1.5
Cleveland Metropolitan School District	7,558	1.3
Cuyahoga County	7,498	1.3
City of Cleveland	6,608	1.1
The MetroHealth System	6,381	1.1
KeyCorp	4,612	0.8
Case Western Reserve University	4,455	0.8
Totals	105,676	18.1 %
Total Employment within the County	586,700	

	2007	
Employer	**Employees**	**Percent of Total County Employment**
Cleveland Clinic Health System	28,461	4.9 %
University Hospitals Health System	15,904	2.7
Cuyahoga County	9,295	1.6
U.S. Office of Personnel Management	9,172	1.6
Progressive Group of Insurance Cos.	8,796	1.5
City of Cleveland	8,327	1.4
Cleveland Metropolitan School District	7,442	1.3
KeyCorp	6,615	1.1
National City Corporation	6,563	1.1
The MetroHealth System	5,627	1.0
Totals	106,202	18.2 %
Total Employment within the County	617,900	

Source: Crain's Cleveland Business

(1) Data is only available through June 30, 2016.
(2) Employers listed are exclusively or essentially located in Cuyahoga County.

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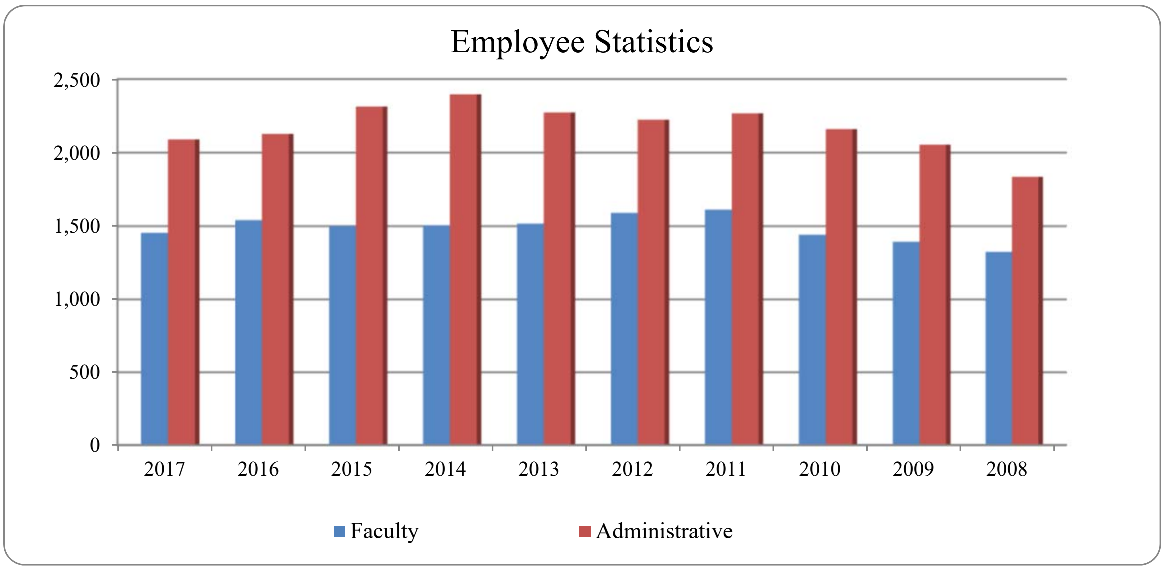
Cuyahoga Community College
Employee Statistics
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012
Faculty						
Part-time	1,045	1,131	1,093	1,100	1,116	1,197
Full-time	409	409	407	404	401	393
Total Faculty	1,454	1,540	1,500	1,504	1,517	1,590
Administrative and Support Staff	2,090	2,127	2,314	2,397	2,274	2,225
Total Employees	3,544	3,667	3,814	3,901	3,791	3,815
Students per Faculty Member	16	16	17	18	20	20
Students per Staff Member	11	11	11	11	13	14



Source: College Records - Human Resource Department

2011	2010	2009	2008
1,217	1,062	1,007	940
395	379	386	384
1,612	1,441	1,393	1,324
2,268	2,161	2,054	1,836
3,880	3,602	3,447	3,160
20	21	19	18
14	14	13	13

Cuyahoga Community College

Historical Headcount

Last Ten Fiscal Years

Fiscal Year Fall Semester Headcount [1]

Major/Program	2017	2016	2015	2014	2013
Health Careers	2,852	2,885	3,294	3,723	4,209
Nursing	2,956	2,979	3,124	3,420	4,363
Business	3,493	3,822	4,178	5,360	5,425
Engineering	691	777	823	908	1,223
Public Service	1,419	1,571	1,719	1,510	2,249
Applied Industrial Technology/ Associate of Technical Study	738	411	830	838	525
Associate of Arts/ Associate of Science	9,350	9,171	8,998	8,737	8,230
Creative Arts [2]	761	760	864	999	1,329
Certificate Programs	1,184	1,096	1,073	993	1,575
Other	456	515	546	616	1,194
Total	23,900	23,987	25,449	27,104	30,322

Major/Program	2012	2011	2010	2009	2008
Health Careers	4,182	4,881	4,381	3,649	3,234
Nursing	4,706	4,708	3,823	3,298	2,817
Business	5,436	5,329	4,586	4,173	3,685
Engineering	1,151	1,303	1,296	1,633	1,379
Public Service	2,308	2,318	2,076	2,023	1,634
Applied Industrial Technology/ Associate of Technical Study	740	376	812	381	708
Associate of Arts/ Associate of Science	7,419	6,858	9,349	8,244	8,236
Creative Arts [2]	1,528	1,679	0	0	0
Certificate Programs	1,080	1,194	1,406	1,096	878
Other	2,909	3,053	2,163	1,551	1,616
Total	31,459	31,699	29,892	26,048	24,187

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 Ten Fiscal Years

	2017		2016		2015		2014		2013	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Ethnicity										
Native American	29	0.65 %	27	0.71 %	35	0.94 %	22	0.66 %	15	0.54 %
Black	1,023	22.81	979	25.57	912	24.37	834	25.14	677	24.32
Asian	138	3.08	116	3.03	93	2.49	99	2.98	90	3.23
Hispanic	156	3.48	156	4.08	145	3.87	107	3.22	91	3.27
White	2,825	63.02	2,313	60.42	2,358	63.02	2,088	62.93	1,787	64.19
Other	119	2.65	60	1.57	124	3.31	54	1.63	39	1.40
Unknown	193	4.31	177	4.62	75	2.00	114	3.44	85	3.05
Total	4,483	100.00 %	3,828	100.00 %	3,742	100.00 %	3,318	100.00 %	2,784	100.00 %
Age										
<20	94	2.10 %	141	3.68 %	40	1.07 %	81	2.44 %	58	2.08 %
20-24	1,452	32.39	1,206	31.51	976	26.08	1,024	30.86	783	28.12
25-29	993	22.15	851	22.23	892	23.84	684	20.61	584	20.98
30-34	637	14.21	492	12.85	583	15.58	425	12.81	403	14.48
35-39	443	9.88	372	9.72	372	9.94	343	10.34	284	10.20
40-59	789	17.60	714	18.65	818	21.86	723	21.79	645	23.17
>60	75	1.67	52	1.36	61	1.63	38	1.15	27	0.97
Total	4,483	100.00 %	3,828	100.00 %	3,742	100.00 %	3,318	100.00 %	2,784	100.00 %
Average Age	31.0		31.0		32.4		31.8		32.2	
Sex										
Female	2,770	61.79 %	2,245	58.65 %	2,303	61.54 %	2,217	66.82 %	1,851	66.49 %
Male	1,713	38.21	1,583	41.35	1,439	38.46	1,101	33.18	933	33.51
Total	4,483	100.00 %	3,828	100.00 %	3,742	100.00 %	3,318	100.00 %	2,784	100.00 %
Degree Type										
Associate of Arts	1,638	36.54 %	1,071	27.98 %	1,182	31.59 %	1,202	36.23 %	869	31.21 %
Associate of Applied Business	533	11.89	481	12.56	493	13.17	440	13.26	397	14.26
Associate of Applied Science	866	19.32	873	22.81	886	23.68	979	29.51	935	33.58
Associate of Science	358	7.99	223	5.83	185	4.94	173	5.21	138	4.96
Associate of Technical Science	34	0.76	11	0.29	11	0.29	13	0.39	6	0.22
Certificate	535	11.93	582	15.20	275	7.35	183	5.52	154	5.53
Post-Degree Certificate	88	1.96	66	1.72	65	1.74	66	1.99	84	3.02
Short Term Certificate	431	9.61	521	13.61	645	17.24	262	7.90	201	7.22
Total	4,483	100.00 %	3,828	100.00 %	3,742	100.00 %	3,318	100.00 %	2,784	100.00 %

Source: College Records - Institutional Research

2012		2011		2010		2009		2008	
Count	**Percent**	**Count**	**Percent**	**Count**	**Percent**	**Count**	**Percent**	**Count**	**Percent**
9	0.36 %	15	0.62 %	8	0.36 %	6	0.33 %	6	0.31 %
639	25.63	581	23.83	550	25.08	459	25.40	500	26.03
54	2.17	82	3.36	64	2.92	47	2.60	59	3.07
74	2.97	77	3.16	59	2.69	42	2.32	62	3.23
1,578	63.29	1,572	64.48	1,445	65.89	1,191	65.92	1,240	64.55
46	1.85	30	1.23	41	1.87	18	1.00	28	1.46
93	3.73	81	3.32	26	1.19	44	2.43	26	1.35
2,493	100.00 %	2,438	100.00 %	2,193	100.00 %	1,807	100.00 %	1,921	100.00 %
52	2.09 %	47	1.93 %	31	1.41 %	43	2.38 %	47	2.45 %
689	27.63	735	30.15	603	27.50	496	27.46	554	28.83
516	20.70	494	20.26	491	22.39	398	22.03	388	20.20
375	15.04	338	13.86	320	14.59	263	14.55	264	13.74
249	9.99	261	10.71	225	10.26	203	11.23	204	10.62
592	23.75	543	22.27	504	22.98	392	21.69	455	23.69
20	0.80	20	0.82	19	0.87	12	0.66	9	0.47
2,493	100.00 %	2,438	100.00 %	2,193	100.00 %	1,807	100.00 %	1,921	100.00 %
32.3		31.8		31.9		32.1		32.1	
1,759	70.56 %	1,758	72.11 %	1,562	71.23 %	1,303	72.11 %	1,388	72.25 %
734	29.44	680	27.89	631	28.77	504	27.89	533	27.75
2,493	100.00 %	2,438	100.00 %	2,193	100.00 %	1,807	100.00 %	1,921	100.00 %
658	26.39 %	834	34.21 %	653	29.78 %	534	29.55 %	566	29.46 %
372	14.92	331	13.58	306	13.95	289	15.99	316	16.45
908	36.43	750	30.75	758	34.56	639	35.37	717	37.33
117	4.69	106	4.35	135	6.16	92	5.09	83	4.32
14	0.56	8	0.33	17	0.78	21	1.16	4	0.21
151	6.06	141	5.78	128	5.84	122	6.75	157	8.17
66	2.65	65	2.67	40	1.82	36	1.99	38	1.98
207	8.30	203	8.33	156	7.11	74	4.10	40	2.08
2,493	100.00 %	2,438	100.00 %	2,193	100.00 %	1,807	100.00 %	1,921	100.00 %

Cuyahoga Community College
Capital Asset Information
Last Ten Fiscal Years

Location	2017	2016	2015	2014	2013
District Administration Building					
Total Square Footage	45,819	45,819	45,819	45,819	45,819
Total Acreage	2.3	2.3	2.3	2.3	2.3
Eastern Main Campus					
Total Square Footage	607,067	607,067	607,067	607,067	607,067
Total Acreage	202.8	202.8	202.8	202.8	202.8
Metropolitan Campus					
Total Square Footage	1,334,314	1,334,314	1,334,314	1,334,314	1,334,314
Total Acreage	51.7	51.7	51.7	51.7	51.7
Western Campus					
Total Square Footage	693,280	693,280	693,280	685,597	685,597
Total Acreage	205.7	205.7	205.7	193.3	193.3
Westshore Campus					
Total Square Footage	77,648	77,648	77,648	77,648	77,648
Total Acreage	49.6	49.6	49.6	49.6	49.6
Brunswick University Center					
Total Square Footage	31,888	31,888	31,888	31,888	31,888
Total Acreage	1.5	1.5	1.5	1.5	1.5
Jerry Sue Thornton Center					
Total Square Footage	72,350	72,350	72,350	72,350	72,350
Total Acreage	3.9	3.9	3.9	3.9	3.9
Corporate College West					
Total Square Footage	104,202	104,202	104,202	104,202	104,202
Total Acreage	14.3	14.3	14.3	14.3	14.3
Corporate College East					
Total Square Footage	107,000	107,000	107,000	107,000	107,000
Total Acreage	18.7	18.7	18.7	18.7	18.7
Total Square Footage	3,073,568	3,073,568	3,073,568	3,065,885	3,065,885
Total Acreage	550.5	550.5	550.5	538.1	538.1
Dining					
Dining - Seating Capacity	980	980	980	980	980
Number of Vehicles					
Private Passenger	40	44	47	39	39
Light Trucks	20	22	23	23	23
Medium Trucks	17	19	20	21	21
Heavy Trucks	5	5	5	3	3
Extra Heavy Trucks	7	4	4	4	4
Trailers	19	14	14	10	10
School Buses	2	2	2	2	2
Fire Trucks	2	2	2	2	2
Motorcycles	0	0	0	0	0
Ambulances	0	1	1	0	0
Total Vehicles	112	113	118	104	104
Parking Capacity					
Metropolitan Campus	1,864	1,864	1,864	1,864	1,864
District Administrative Services	206	206	206	206	206
Jerry Sue Thornton Center	334	334	334	334	334
Eastern Campus	1,872	1,872	1,872	1,872	1,872
Corporate College East	635	635	635	635	635
Brunswick University Center	365	365	365	365	365
Westshore Campus	466	466	466	466	466
Corporate College West	777	777	777	777	777
Western Campus	3,204	3,204	3,204	3,204	3,204
Total Parking Capacity	9,723	9,723	9,723	9,723	9,723

Source: College Records

2012	2011	2010	2009	2008
45,819	45,819	45,819	45,819	45,819
2.3	2.5	2.5	2.5	2.5
607,067	574,447	512,796	512,796	512,796
202.8	202.8	202.8	202.8	202.8
1,309,902	1,284,748	1,276,958	1,276,958	1,201,998
51.7	51.7	51.7	51.7	51.7
685,597	685,597	685,597	685,597	685,597
194.3	194.3	227.3	227.3	227.3
77,648	77,648	0.0	0.0	0.0
43.8	33.0	0.0	0.0	0.0
31,888	31,888	0.0	0.0	0.0
1.5	1.5	0.0	0.0	0.0
72,350	0.0	0.0	0.0	0.0
3.9	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
3,041,473	2,911,349	2,732,372	2,732,372	2,657,412
533.3	518.8	517.3	517.3	517.3
980	952	952	952	952
42	40	39	35	32
18	20	19	18	17
20	21	18	16	16
3	3	2	4	2
4	4	4	4	4
10	9	9	8	6
2	1	0	0	0
2	2	2	2	2
2	2	2	2	2
0	0	0	0	0
103	102	95	89	81
1,864	1,864	1,660	1,595	1,585
0	105	105	106	105
334	0	0	0	0
1,872	1,615	1,615	1,615	1,574
635	635	635	635	635
365	87	0	0	0
466	466	0	0	0
777	777	777	777	777
3,204	3,262	3,262	3,262	3,215
9,517	8,811	8,054	7,990	7,891

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Where futures begin℠

Cuyahoga Community College
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Cuyahoga Community College

Single Audit Reports
For the Fiscal Year Ended June 30, 2017

Cuyahoga Community College
Cuyahoga County, Ohio
For the Fiscal Year Ended June 30, 2017
Table of Contents

Ciuni &
Panichi
CPAs and Business Advisors

Where Relationships Count.

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 Cuyahoga Community College (the "College"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 6, 2017.

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.

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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.

Ciuni + Panichi, Inc.

Cleveland, Ohio
December 6, 2017

Ciuni &
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CPAs and Business Advisors
Where Relationships Count.

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 the Uniform Guidance

Board of Trustees
Cuyahoga Community College
Cleveland, Ohio

Report on Compliance for Each Major Federal Program

We have audited Cuyahoga Community College's (the "College") compliance with the types of compliance requirements described in the in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2017. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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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, 2017.

Report on Internal Control over Compliance

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

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

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

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

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the aggregate discretely presented component unit of the College as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated December 6, 2017, 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 the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Ciuni + Panichi, Inc.

Cleveland, Ohio
December 6, 2017

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Federal Agency/Pass Through Agency/Program Title	Pass-Through Number	Federal CFDA Number	Passed Through to Sub-recipients	Expenditures
U.S. Department of Education:				
Direct Recipient:				
Student Financial Aid Cluster				
Federal Pell Grant Program		84.063	$ -	$ 35,500,172
Federal Supplemental Education Opportunity Grant		84.007	-	705,006
Federal Direct Student Loans		84.268	-	19,777,239
Federal Work-Study Program		84.033	-	314,809
Total Student Financial Aid Cluster			-	56,297,226
Trio Cluster:				
Trio - Upward Bound		84.047	-	716,632
Trio - Student Support Services		84.042	-	541,591
Trio - Talent Search		84.044	-	971,800
Trio - Educational Opportunity Centers		84.066	-	219,362
Total Trio Cluster			-	2,449,385
Trio Staff Training Program		84.103		10,725
Fund for the Improvement of Postsecondary Education		84.116	-	88,002
Passed through University of Rochester:				
Education Research, Development and Dissemination	416659-G	84.305	-	62,317
Passed through the Ohio Department of Higher Education:				
Adult Education - Basic Grants to States		84.002	-	1,642,722
Passed through the Ohio Department of Education:				
Career and Technical Education - Basic Grants to States		84.048	-	774,396
Total U.S. Department of Education			-	61,324,773
U.S. Department of Health and Human Services:				
Direct Recipient:				
Biomedical Research and Research Training		93.859	7,639	264,213
Nursing Workforce Diversity		93.178	-	306,271
Passed through Wright State University:				
Medicaid Cluster:				
Medical Assistance Program		93.778	-	20,000
Total Medicaid Cluster			-	20,000
Total U.S. Department of Health and Human Services			7,639	590,484
U.S. Department of Labor:				
Direct Recipient:				
Trade Adjustment Assistance Community College and Career Training (TACCT) Grants		17.282	-	332,667
Passed through Lorain County Community College:				
Trade Adjustment Assistance Community College and Career Training (TACCT) Grants	TC-26435-14-60-A-39	17.282	-	363,397
Total Trade Adjustment Assistance Community College and Career Training (TACCT) Grants			-	696,064
Passed through Cuyahoga County, Ohio and City of Cleveland, Ohio:				
WIA Cluster:				
WIA Youth Activities		17.259	-	860,991
Total WIA Cluster			-	860,991
Total U.S. Department of Labor			-	1,557,055

(Continued)

Federal Agency/Pass Through Agency/Program Title	Pass-Through Number	Federal CFDA Number	Passed Through to Sub-recipients	Expenditures
U.S. Department of Agriculture:				
Passed through Ohio Department of Education:				
Child Nutrition Cluster:				
Summer Food Service Program for Children		10.559	-	8,694
Total Child Nutrition Cluster			-	8,694
National Security Agency:				
Direct Recipient:				
GenCyber Grants Program		12.903	-	23,930
U.S. Department of Transportation:				
Direct Recipient:				
Commercial Motor Vehicle Operator Training Grants		20.235	-	88,395
National Aeronautics and Space Administration:				
Direct Recipient:				
Education		43.008	-	167,728
Passed through Ohio Space Grant Consortium:				
Education		43.008	-	32,880
Total Education			-	200,608
Passed through Paragon TEC, Inc.:				
Science		43.001	-	10,328
Total National Aeronautics and Space Administration			-	210,936
National Endowment for the Arts:				
Direct Recipient:				
Promotion of the Arts - Grants to Organizations and Individuals		45.024	-	40,000
Passed through Arts Midwest:				
Promotion of the Arts - Partnership Agreements	00018307	45.025	-	4,000
Total National Endowment for the Arts			-	44,000
National Science Foundation:				
Direct Recipient:				
Education and Human Resources		47.076	20,343	468,055
Passed through Ohio State University:				
Education and Human Resources	60042097-TRIC	47.076	-	67,280
Total Education and Human Resources			20,343	535,335
Total National Science Foundation			20,343	535,335
Total Expenditures of Federal Awards			$ 27,982	$ 64,383,602

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) reflects the expenditures of Cuyahoga Community College (the “College”) under programs financed by U.S. Government for the year ended June 30, 2017. 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.

The College has not elected to use the 10 percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Note 2 – Federal Loan Programs

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

	CFDA Number	Outstanding Balance June 30, 2017
Federal Perkins Loan Program	84.038	$ -

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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(a)?	No
(d)(1)(vii)	Major Programs	Student Financial Aid Cluster: CFDA # 84.063, 84.007, 84.268, 84.033 Adult Education – Basic Grants to States: CFDA# 84.002
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >$1,931,508 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.

Cuyahoga Community College
Cuyahoga County, Ohio
Schedule of Prior Audit Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

No prior year findings or questioned costs.

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 26, 2017

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