CUYAHOGA COMMUNITY COLLEGE FOUNDATION

Financial Statements
Years Ended June 30, 2007 and 2006
And Independent Auditors' Report

Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Cuyahoga Community College Foundation, Cuyahoga County, prepared by Hausser & Taylor LLC, for the audit period July 1, 2006 through June 30, 2007. 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 Foundation is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 19, 2007

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CUYAHOGA COMMUNITY COLLEGE FOUNDATION

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HAUSSER + TAYLOR LLC
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Board of Directors
Cuyahoga Community College Foundation
Cleveland, Ohio

Independent Auditors' Report

We have audited the accompanying statements of financial position of the Cuyahoga Community College Foundation (the "Foundation") as of June 30, 2007 and 2006 and the related statements of activities and of cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2007 and 2006 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2007 on our consideration of the Foundation's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Hausser + Taylor LLC

Cleveland, Ohio
October 18, 2007

Cleveland Elyria Akron Canton Columbus

CUYAHOGA COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2007 and 2006

ASSETS	2007	2006
Cash and cash equivalents	$ 2,989,285	$ 2,578,058
Investments	18,163,865	14,326,021
Receivables:		
Contributions—net	2,075,008	2,962,683
Contributions due from related party	69,158	70,864
TOTAL	$ 23,297,316	$19,937,626

LIABILITIES AND NET ASSETS

LIABILITIES:		
Grants due to related party	$ 777,597	$ 1,016,856
NET ASSETS:		
Unrestricted	93,216	108,961
Temporarily restricted	20,150,552	16,865,173
Permanently restricted	2,275,951	1,946,636
Total net assets	22,519,719	18,920,770
TOTAL	$ 23,297,316	$19,937,626

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

CUYAHOGA COMMUNITY COLLEGE FOUNDATION

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES:				
Contributions and grants	$ 275,539	$ 2,155,202	$ 17,627	$ 2,448,368
Special events revenue		1,124,329		1,124,329
Interest and dividend income	20	627,918		627,938
Net appreciation in fair value of investments	105	2,404,930	311,688	2,716,723
Net assets released from restriction	3,027,000	(3,027,000)		
Total revenues	3,302,664	3,285,379	329,315	6,917,358
EXPENSES:				
Program services:				
Scholarships	534,363			534,363
Educational development	2,156,783			2,156,783
Total program services	2,691,146			2,691,146
Special events	118,328			118,328
Administration and general	368,583			368,583
Fundraising	140,352			140,352
Total expenses	3,318,409			3,318,409
CHANGE IN NET ASSETS	(15,745)	3,285,379	329,315	3,598,949
NET ASSETS—Beginning of year	108,961	16,865,173	1,946,636	18,920,770
NET ASSETS—End of year	$ 93,216	$20,150,552	$2,275,951	$22,519,719

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

CUYAHOGA COMMUNITY COLLEGE FOUNDATION

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2006

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES:				
Contributions and grants	$ 315,078	$ 3,023,822		$ 3,338,900
Special events revenue		1,017,342		1,017,342
Interest and dividend income	139	399,724		399,863
Net appreciation in fair value of investments	847	1,059,052	$ 146,639	1,206,538
Net assets released from restriction	2,443,220	(2,443,220)		
Total revenues	2,759,284	3,056,720	146,639	5,962,643
EXPENSES:				
Program services:				
Scholarships	484,080			484,080
Educational development	1,762,877			1,762,877
Total program services	2,246,957			2,246,957
Special events	127,119			127,119
Administration and general	204,346			204,346
Fundraising	136,857			136,857
Total expenses	2,715,279			2,715,279
CHANGE IN NET ASSETS	44,005	3,056,720	146,639	3,247,364
NET ASSETS—Beginning of year	64,956	13,808,453	1,799,997	15,673,406
NET ASSETS—End of year	$ 108,961	$16,865,173	$ 1,946,636	$ 18,920,770

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

CUYAHOGA COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2007 AND 2006

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 3,598,949	$ 3,247,364
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net (appreciation) in fair value of investments	(2,725,954)	(1,206,538)
Permanently restricted contributions	(17,627)	0
Decrease (Increase) in contributions receivable	887,674	(181,798)
(Decrease) in due to related party - net	(237,551)	(324,922)
Net cash provided by operating activities	1,505,491	1,534,106
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(28,937,840)	(17,955,615)
Proceeds from sale of investments	27,825,949	16,894,790
Net cash used in investing activities	(1,111,891)	(1,060,825)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Permanently restricted contributions	17,627	0
NET INCREASE IN CASH AND CASH EQUIVALENTS	411,227	473,281
CASH AND CASH EQUIVALENTS—Beginning of year	2,578,058	2,104,777
CASH AND CASH EQUIVALENTS—End of year	$ 2,989,285	$ 2,578,058

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—The Cuyahoga Community College Foundation (the "Foundation") was incorporated in August 1973 as a tax-exempt, not-for-profit corporation under Section 501(c) (3) of the Internal Revenue Code for the purpose of collecting donations from individuals, corporations and foundations to be distributed as scholarships to persons attending Cuyahoga Community College (the "College"), and to be used for other purposes benefiting the College. The Foundation is classified as other than a private foundation by the Internal Revenue Service and is exempt from income taxes.

Basis of Accounting and Financial Statement Presentation—The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with the provisions of the American Institute of Certified Public Accountants' Audit Guide for Not-for-Profit Organizations. The accompanying financial statements of the Foundation present information regarding its net assets and activities in the following three categories:

Unrestricted—Net assets are under the discretionary control of the Board of Directors (the "Board") and include amounts designated by the Board for specified purposes.

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

Permanently Restricted—Net assets are subject to the donor's restriction that the principal remain invested in perpetuity. The income on these net assets generally is 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments— Investments of the unrestricted, temporarily restricted and permanently restricted funds are pooled for making investment transactions and are carried at market value. Market values are based on quoted market prices. Interest and dividend income, as well as realized and unrealized gains and losses, are allocated to the funds monthly using the unitized fair value method of accounting for pooled investment funds.

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

Contributions—Contributions and grants, including bequests, special gifts and other donations, are recorded as revenue when received or, if by pledge, when an unconditional pledge is made. All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Noncash bequests, gifts, and donations, if any, would be recorded at the fair market value of the asset at the date of donation.

Program Services Expenses—All scholarships and other program services distributions are approved by the Board. Unconditional grants to the College are recognized when approved. Grants approved by the Board that are payable upon performance of specified conditions by the grantee (if any) are recognized in the statements of activities and changes in net assets when the specified conditions are satisfied.

Reclassifications—At June 30, 2006, one fund was reclassified for financial statement reporting purposes from unrestricted to temporarily restricted, but did not impact net asset totals.

2. INVESTMENTS

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

Investments at June 30, 2007 and 2006 consist of the following:

Description	2007	2006
Common Stock	$ 7,986,839	$ 5,692,688
U.S. Government Bonds	1,242,607	1,800,785
Foreign Bonds	0	33,841
Corporate Bonds	739,664	833,573
Mutual Funds	8,194,755	5,965,134
Totals	$ 18,163,865	$ 14,326,021

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

3. CONTRIBUTIONS RECEIVABLE

Contributions receivable are accounted for in accordance with SFAS 116. The recorded fair value of contributions receivable is the present value of estimated future cash receipts using a discount rate of 4.75%. Management has determined that any allowance for uncollectible promises to give would be immaterial. Amounts due are as follows:

Contributions Receivable	Temporarily Restricted	
	2007	2006
Less than one year	$ 1,589,174	$ 1,752,397
One to five years	508,837	1,283,843
Totals	2,098,011	3,036,240
Unamortized discount	(23,003)	(73,557)
Total	$ 2,075,008	$ 2,962,683

4. RELATED PARTY TRANSACTIONS

The College makes contributions to the Foundation during the year primarily for parking receipts. Any amounts due to the Foundation as of June 30 are reported as due from related party on the statements of financial position.

The Foundation received, on behalf of the College, cash payments on grants from private foundations of $2,120,603 and $1,937,734 in 2007 and 2006, respectively, and made promises to give these monies to the College for educational development programs. Outstanding promises to give grant monies to the College are reported as due to 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 $275,537 and $246,469 of contributed services as contribution revenue and as general and administrative expenses in 2007 and 2006.

5. 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:

	2007	2006
Scholarships	$ 534,363	$ 484,080
Educational Development	2,156,783	1,762,877
Special Events	118,328	127,119
Other	217,526	69,144
Total	$3,027,000	$2,443,220

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:

	2007	2006
Scholarships	$ 3,751,620	$ 3,139,950
Educational Development	14,438,782	12,084,659
Special Events	904,149	756,735
Other	1,056,001	883,829
Total	$20,150,552	$16,865,173

5. NET ASSETS - continued

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

	2007	2006
Scholarships	$ 2,275,951	$ 1,946,636

HAUSSER + TAYLOR LLC
Business advisors and certified public accountants

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Board of Directors
Cuyahoga Community College Foundation
Cleveland, Ohio

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

We have audited the financial statements of Cuyahoga Community College Foundation (the "Foundation") as of and for the year ended June 30, 2007 and have issued our report thereon dated October 18, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

A control deficiency in an entity's 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principals such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Cleveland Elyria Akron Canton Columbus

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, Foundation management, and the Auditor of the State of Ohio, and is not intended to be and should not be used by anyone other than these specified parties.

Hausser + Taylor LLC

Cleveland, Ohio
October 18, 2007

CUYAHOGA COMMUNITY COLLEGE FOUNDATION

STATUS OF PRIOR YEAR COMMENTS ON INTERNAL CONTROL AND LEGAL COMPLIANCE

Year Ended June 30, 2007

There were no comments on internal control and legal compliance included in the prior year reports.

Mary Taylor, CPA
Auditor of State

CUYAHOGA COMMUNITY COLLEGE FOUNDATION

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 31, 2007

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