

CUYAHOGA COMMUNITY COLLEGE

CUYAHOGA COUNTY

JULY 1, 2009 TO JUNE 30, 2010

REGULAR AUDIT



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Cuyahoga Community College, Cuyahoga County, prepared by Maloney + Novotny LLC, for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

January 11, 2011

CUYAHOGA COMMUNITY COLLEGE

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through Number	Federal CFDA Number or Primary Grant Number	Expenditures
STUDENT FINANCIAL AID CLUSTER (SFA)			
U.S. Department of Education:			
Direct Programs:			
Federal Pell Grant Program - ARRA		84.063	47,416,980
Federal Direct Student Loan		84.268	26,821,809
Federal Supplemental Education Opportunity Grant		84.007	861,687
Federal Perkins Loan Program		84.038	99,238
Federal Work-Study Program		84.033	1,459,730
Federal Work-Study Program - ARRA		84.033	165,910
Academic Competitiveness Grant (ACG)		84.375	<u>310,921</u>
Total Student Financial Aid Cluster			<u>77,136,275</u>
OTHER PROGRAMS			
Academic Support—U.S. Department of Education:			
Pass-Through Programs from			
Ohio Department of Education:			
Tech-Prep	None	84.243	265,587
Total Other Programs—Academic Support			<u>265,587</u>
PUBLIC SERVICE			
U.S. Department of Education:			
Direct Programs:			
Trio Cluster:			
Upward Bound Math and Science	P047M070262	84.047	274,680
Upward Bound	P047A030041	84.047A	391,653
Veterans Upward Bound	P047A030440	84.047A	<u>383,031</u>
Total CFDA #84.047			<u>1,049,364</u>
Student Support Services		84.042	<u>358,473</u>
Educational Talent Search	P042A050455	84.044	<u>582,285</u>
Education Opportunity Center	P066A070262	84.066A	<u>372,127</u>
Total Trio Cluster			<u>2,362,249</u>

See Notes to Supplemental Schedule of Expenditures of Federal Awards.

(Continued)

CUYAHOGA COMMUNITY COLLEGE

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through Number	Federal CFDA Number or Primary Grant Number	Expenditures
PUBLIC SERVICE			
U.S. Department of Education (continued):			
Direct Programs:			
Student and Faculty Success through Distance Learning	P031A080221-09	84.031	436,097
Pass-Through Programs from Cleveland State University: Transfer Connection Program	P031A090152	84.031	<u>80,939</u>
Total CFDA # 84.031			<u>517,036</u>
Pass-Through Programs from Ohio Department of Education: Adult Basic and Literacy Education	PROJECT #063404-AB-S2-2006	84.002	-
Adult Basic and Literacy Education	PROJECT #063404-AB-S2-2007	84.002	(3,911)
Adult Basic and Literacy Education	PROJECT #063404-AB-S2-2008	84.002	1,956
Adult Basic and Literacy Education	PROJECT #063404-AB-S1-2009	84.002	90
Adult Basic and Literacy Education	PROJECT #063404-AB-S2-2010	84.002	<u>73,752</u>
Total CFDA #84.002			<u>71,887</u>
Pass-Through Program from Ohio Department of Education: We Are IT Program	None	84.048	2,488
Pass-Through Program from Ohio Board of Regents: Educational Opportunity Programs	None	84.048	102,878
Vocational Education—Women in Transition	None	84.048	106,808
Vocational Education—Student Support	None	84.048	58,098
Vocational Education—Access	None	84.048	<u>253,587</u>
Total CFDA #84.048			<u>523,859</u>
Total Public Service			<u>3,475,031</u>
Total U.S. Department of Education			<u>80,876,893</u>
National Institute of Health:			
Direct Program:			
Engaging Communities and Institutions to Reduce Health Disparities	1P60MD00265	93.307	17,493
Bridges to Success	2 R25 GM49010	93.859	<u>139,446</u>
Total National Institute of Health			<u>156,939</u>

See Notes to Supplemental Schedule of Expenditures of Federal Awards.

(Continued)

CUYAHOGA COMMUNITY COLLEGE

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through Number	Federal CFDA Number or Primary Grant Number	Expenditures
PUBLIC SERVICE			
U.S. Department of Health and Human Services:			
Direct Programs:			
Midwest HIT Consortium		93.721	25,660
Direct Program:			
Summer Pathways Project - ARRA		93.558	150,613
Pass-Through Program from Cuyahoga County Board of Commissioners:			
PACE		93.558	300
Pass-Through Program from Starting Point for Child Care and Early Education:			
TEACH Counseling Services		93.577	<u>18</u>
Total U.S. Department of Health and Human Services			<u>176,591</u>
National Science Foundation:			
Pass-Through Program from Kentucky Community and Technical College System:			
Automotive Collaborative	None	47.076	7,583
Direct Programs:			
Robotics Corridor Collaborative		47.076	<u>84,547</u>
Total CFDA #47.076			<u>92,130</u>
Total National Science Foundation			<u>92,130</u>
U.S. Department of Housing and Urban Development:			
Direct Programs:			
SPG-33 HOPE Job Training Program	None	14.412	-
Pass-Through Program from Cuyahoga County Board of Health:			
Lead Safe Work Practices Training	None	14.900	<u>2,478</u>
Total U.S. Department of Housing and Urban Development			<u>2,478</u>

See Notes to Supplemental Schedule of Expenditures of Federal Awards.

(Continued)

CUYAHOGA COMMUNITY COLLEGE

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through Number	Federal CFDA Number or Primary Grant Number	Expenditures
PUBLIC SERVICE			
U.S. Department of Labor			
Pass-Through Program from Cuyahoga County, Ohio: Summer Pathways Project - ARRA		17.259	392,309
Pass-Through Program from Cuyahoga County, Ohio and City of Cleveland, Ohio: Youth Technology Academy (YTA)	CE 0600316-01	17.259	<u>706,155</u>
Total CFDA #17.259			<u>1,098,464</u>
Pass-Through Program from Employment & Training Admin (ETA) Allieviating Health Care Worker Shortage	CB-15208-06-60	17.269	268,443
Pass-Through Program from Cuyahoga Workforce Development Allieviating Health Care Worker Shortage		17.269	997,388
Pass-Through Program from The Greater Cleveland Growth Association Ohio Skills Bank Training		17.255	(110)
Pass-Through Program from Cuyahoga Metropolitan Housing Authority YouthBuild Project - ARRA		17.274	18,939
Pass-Through Program from BioOhio Ohio Bioscience Workforce Training- ARRA		17.275	27,000
Total U.S. Department of Labor			<u>2,410,124</u>
National Endowment for the Arts			
Direct Program:			
JazzFest 2010		45.024	15,000
Bill T Jones and Arnie Zane Dance Company		45.025	5,000
Center for Arts and Culture		45.024	15,000
Pass-Through Program from New England Foundation for the Arts: Lar Lubovitch Performance	None	45.024	<u>2,000</u>
Total CFDA #45.024			<u>37,000</u>
Pass-Through Program from Arts Midwest: LA TheatreWorks	None	45.025	<u>4,145</u>
Total CFDA #45.025			<u>4,145</u>
Total National Endowment for the Arts			<u>41,145</u>
U.S. Department of Justice			
Total U.S. Department of Justice			<u>-</u>

See Notes to Supplemental Schedule of Expenditures of Federal Awards.

(Continued)

CUYAHOGA COMMUNITY COLLEGE

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass Through Grantor/Program Title	Pass-Through Number	Federal CFDA Number or Primary Grant Number	Expenditures
PUBLIC SERVICE			
Corporation for National and Community Service			
Direct Program:			
Ohio Campus Compact Program		94.005	<u>5,000</u>
Total U.S. U.S. Environmental Protection Agency			<u>5,000</u>
National Aeronautics and Space Administration			
Pass-Through Program from Paragon TEC, Inc.:			
SEMAA	C-77599-F	43.001	134,628
Pass-Through Program from FIRST:			
FIRST Robotics Competition	None	43.001	<u>20,586</u>
Total CFDA #43.001			<u>155,214</u>
U.S. Department of Energy			
Pass-Through from Ohio Department of Development:			
Alternative Energy Workforce Training		81.117	230,288
Alternative Energy Workforce Applications Training		81.086	385,222
Energy Audits Program		81.041	<u>13,590</u>
			<u>629,100</u>
U.S. Department of Transportation			
Direct Program:			
Truck Driving Academy		20.235	<u>88,306</u>
U.S. Environmental Protection Agency			
Direct Program:			
Euclid Creek Watershed		66.951	<u>(11)</u>
U.S. Small Business Services			
Direct Program:			
Veterans Outreach and Business Development Center		59.000	<u>166,975</u>
5,000			
Pass-Through Program from			
Ohio Board of Regents:			
State Fiscal Stabilization Funds - ARRA		84.394	<u>8,766,786</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>93,567,670</u>

See Notes to Supplemental Schedule of Expenditures of Federal Awards.

(Concluded)

CUYAHOGA COMMUNITY COLLEGE
NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

1. BASIS OF PRESENTATION

The accompanying Supplemental Schedule of Expenditures of Federal Awards (the "Schedule") reflects the expenditures of Cuyahoga Community College (the "College") under programs financed by the U.S. Government for the year ended June 30, 2010. The Schedule has been prepared using the accrual basis of accounting.

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

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

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

2. FEDERAL LOAN PROGRAMS

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

	CFDA Number	Outstanding Balance at June 30, 2010
Federal Perkins Loan Program	84.038	<u>\$99,238</u>

Board of Trustees
Cuyahoga Community College
Cleveland, Ohio

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

We have audited the financial statements of the business-type activities and the discretely presented component unit of Cuyahoga Community College as of and for the year ended June 30, 2010, which collectively comprise Cuyahoga Community College's basic financial statements and have issued our report thereon dated November 18, 2010. 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 Cuyahoga Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cuyahoga Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cuyahoga Community College's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

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

Maloney + Novotny LLC

Cleveland, Ohio
November 18, 2010

Board of Trustees
Cuyahoga Community College
Cleveland, Ohio

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

Compliance

We have audited Cuyahoga Community College's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. Cuyahoga Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Cuyahoga Community College's management. Our responsibility is to express an opinion on Cuyahoga Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cuyahoga Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Cuyahoga Community College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of Cuyahoga Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Cuyahoga Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cuyahoga Community College's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business-type activities and the discretely presented component unit of Cuyahoga Community College as of and for the year ended June 30, 2010, and have issued our report thereon dated November 18, 2010. Our audit was performed for the purpose of forming our opinion on the financial statements that collectively comprise the College's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.

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

Maboney + Novotny LLC

Cleveland, Ohio
November 18, 2010

CUYAHOGA COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2010

Section I – Summary of Auditor’s Result

Financial Statements

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

Federal Awards

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

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

Identification of major programs:

CFDA Numbers

84.007, 84.033, 84.038, 84.063, 84.268, 84.375, 84.047, 84.042, 84.044, 84.066, 84.048, 17.259, 17.269, 84.031

Name of Federal Program or Cluster

Student Financial Aid Cluster, Trio-Cluster, Education Opportunity Programs, WIA Cluster, Community Based Job Training Grant, Higher Education Institutional Aid

Dollar threshold used to distinguish between Type A and Type B programs:	\$492,941
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Auditee qualified as a low risk auditee?	_____ <u>X</u> _____	_____ yes	_____ no
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CUYAHOGA COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2010

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

Section III – Federal Award Findings and Questioned Costs – No findings were noted.

CUYAHOGA COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2010

Prior Year Findings:

There were no findings for the year ended June 30, 2009.



Comprehensive Annual Financial Report

Fiscal Years Ended

June 30, 2010 and 2009

Cuyahoga Community College

Cleveland, Ohio

Prepared by

Administration and Finance Division

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Introductory Section



November 18, 2010

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

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of Cuyahoga Community College (the College) for the fiscal years ended June 30, 2010 and 2009.

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.

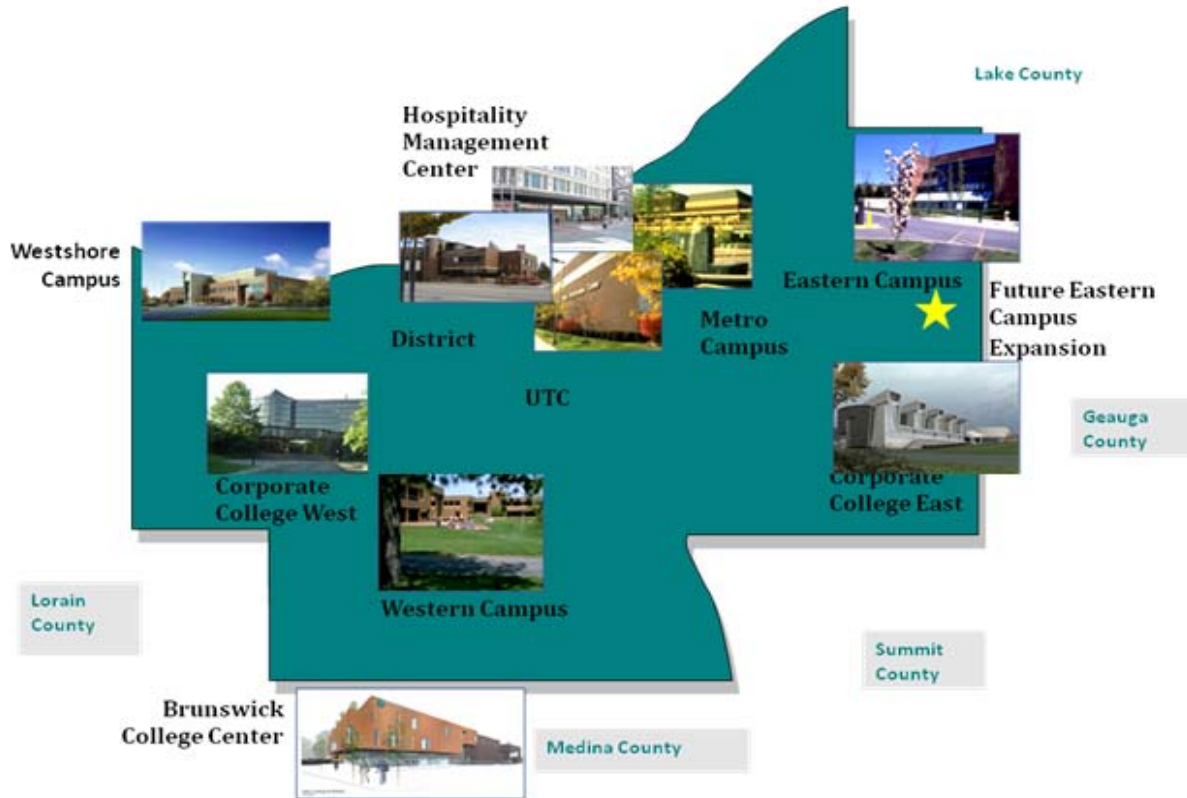
We acknowledge that management is responsible for the content of this report and establishing and maintaining internal controls, which ensure that assets are protected from loss, theft, or misuse, and ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

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

The CAFR has been prepared in conformance with the financial reporting standards applicable to governmental entities set forth by the Governmental Accounting Standards Board in its authoritative pronouncements, as well as the financial reporting standards of the Government Finance Officer's Association. The College is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and non-Profits Organizations*. Audits are made by the State Auditor, or by an independent accounting firm at the direction of that officer, pursuant to Ohio law, and examinations or audits are made under certain federal program requirements. Annual financial reports are prepared by the College, and filed as required by Ohio Revised Code Section 117.38 with the State Auditor within 150 days of fiscal year end.

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

Profile of Cuyahoga Community College



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

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

History

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

The College now serves more than 55,000 credit and non-credit students each year at three traditional campuses (East, West and Metropolitan (Metro)), two Corporate College®



locations, the Unified Technologies Center (UTC), the District Office downtown, the new Westshore location in Westlake, the new Brunswick Higher Education Center, as well as 50+ off-campus sites, and through distance learning options. College-wide operations include 2.7 million square feet of building space and over 517 acres of grounds. For over 47 years, Cuyahoga Community College has provided high quality, affordable education and programs to more than 800,000 members of our community.

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

Based on statewide academic enrollment figures, Cuyahoga Community College is the fifth largest higher education institution in Ohio, including the four-year institutions. It is the 30th largest employer in Cuyahoga County (ranked by full-time equivalent positions).

In addition, more than 500,000 Northeast Ohio residents attend college-sponsored cultural, community and sports programs each year. The College is home to JazzFest Cleveland, the nation's premier educational jazz festival, and also hosts popular cultural arts programs at Playhouse Square and at campus theaters.



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

The Community

Cuyahoga Community College is located in a seven-county area known as Northeast Ohio, which has a population of 2.9 million, is headquarters to 23 Fortune 500 firms, and is ranked in the top 6 industrial markets in North America, with almost 10,000 manufacturing

companies and more than 2,500 companies that actively participate in international business. Northeast Ohio is a leader in new technology and is home to some of the finest medical institutions in the Country, including the world-renowned Cleveland Clinic and University Hospitals Health System. It is also the center of the nation's largest concentration of industrial and consumer markets; over 10-million people live within a 150-mile radius. Northeast Ohio is a regional center for the performing and visual arts. It is home to some of the most famous and prestigious performing arts, museums, and historical institutions in the world, including the Cleveland Orchestra, the Cleveland Museum of Art, the Rock and Roll Hall of Fame and Museum and the Great Lakes Science Center. Cleveland's theater district is the second largest performing arts center in the Country.

Distinctive demographic and economic factors that have an impact on the College's overall mission and strategies include: (1) the need to provide postsecondary education for a wide range of students, from students in need of developmental education, to honors students in both suburban and urban environments; (2) an urban environment characterized by high poverty rates and low educational attainment; (over 18 percent of County residents [including Cleveland] lack a high school diploma and a little more than half (53.7 percent) of the students in the Cleveland Metropolitan School District receive diplomas); (3) a shift from traditional "rust-belt" manufacturing jobs to careers in health care, financial services, information technology, and other high-growth sectors; and (4) a steady loss of population.

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

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

Cuyahoga County is home to a large number of nationally recognized health care, medical education, medical research and medical technology institutions. The metropolitan area is served by 50 hospitals; 23 are affiliated with medical schools, including the Case Western Reserve University School of Medicine. One of the College's distinctive features is its wide array of health careers programs to address the needs of this industry. Cuyahoga Community College ranks 11th nationally among two-year institutions in the number of Associate degrees awarded for health professions and related clinical sciences and 15th nationally among two-year institutions for the number of nursing degrees awarded.

Types of Services

Cuyahoga Community College offers associate degrees, certificate programs and the first two years of a baccalaureate degree. Students can choose from more than 1,000 credit courses in more than 140 career and technical programs and liberal arts curricula. More than 800 distance learning courses and more than 130 courses at various locations

throughout the community; and more than 600 non-credit workforce and professional development courses are offered each year.



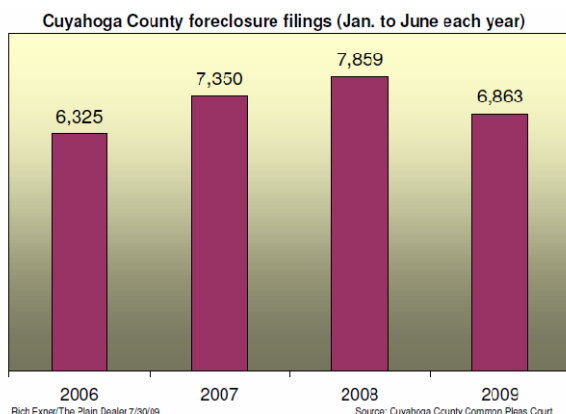
Cuyahoga Community College offers five associate degrees: Associate of Arts, Associate of Science, Associate of Applied Business, Associate of Applied Science, and Associate of Technical Studies. The College is fully accredited by the Higher Learning Commission, a Commission of the North Central Association of Colleges and Schools. In addition, a number of the College's career programs are accredited or approved by appropriate specialized associations or agencies.

The College offers more than 90 technical degree programs. Of these programs, 30 lead to an Associate of Applied Business degree and 61 lead to an Associate of Applied Science degree. Short Term Certificates and Certificates of Proficiency are offered in 11 business areas and 21 science areas that ladder into associate degree programs. Post Degree Professional Certificates are offered in 3 business areas and 7 science areas. In addition, Cuyahoga Community College offers a wide variety of non-credit courses, support services and special programs designed to meet the needs of a diverse student body and of the community at large. The college also has 55 formal articulation and transfer agreements with higher education institutions, including both public and private four-year institutions in Ohio and a number of other states.

Economic Environment Analysis

Unlike many institutions of higher education, Cuyahoga Community College receives a significant portion of its funding from local sources. In fiscal year 2011 (FY11), 28% of the College's annual operating revenue will come from two tax levies. Also, 79.6% of the College's fiscal year 2010 (FY10) credit student attendees were Cuyahoga County residents. For these reasons, the economic environment in Cuyahoga County and Northeast Ohio has a significant impact on the FY11 budget.

In order to accurately project revenue, the College must keep abreast of housing market trends and tax collectability rates. The College passed a levy in November 2009, which



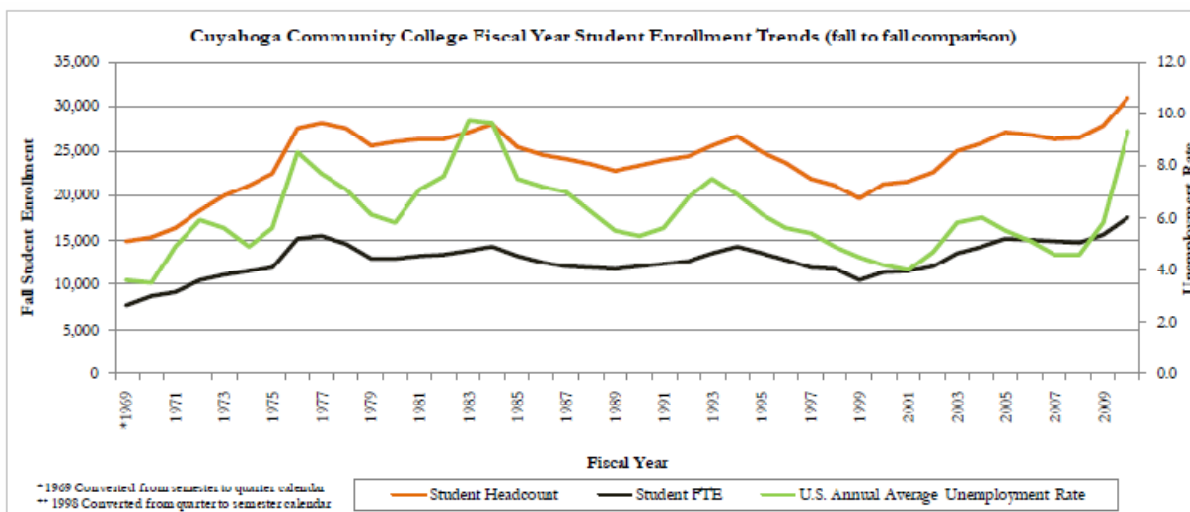
increased millage from 1.6 to 1.9 and is projected to generate an additional \$6 million in revenue beginning January 2011. The County has also seen a reduction in foreclosure rates overall. However, several recent developments have significantly reduced the total revenues the College will receive from its two levies. Cuyahoga County reduced assessed housing valuations by 8% and the estimated collectability rate from 97% to 96%. In addition, the statewide Commercial Activity Tax will remain in FY11

but will begin a seven-year phase-out beginning in fiscal year 2012 (FY12). Cuyahoga Community College must prepare for decreases in local revenues for FY11 and future years.

Like most areas of the United States, Cuyahoga County has experienced a significant increase in unemployment in the last twelve months. The County unemployment rate has increased from 7.1% in December, 2008 to 9.2% in December, 2009. In addition, the County continues to experience significant reductions in population, from 1,330,428 in 2005 to 1,275,709 in 2009. The Ohio Department of Development projects that total population will continue to decrease.

The State of Ohio as a whole is experiencing similar issues to Cuyahoga County. Ohio's employment never fully recovered from the 2001 recession and statewide employment is declining further in Ohio than in the nation as a whole, with a steady decline in all goods-producing sectors since 2000. Ohio's December 2009 unemployment rate hit 10.7% while the nationwide average was only 9.7%. Many with jobs have had to accept pay cuts, reduction in hours or unpaid furloughs. Ohio had the ninth-highest volume of foreclosure filings in the nation and its per capita personal income is below the national average, both of which contribute to a smaller tax base. While Governor Strickland has stated his continuing commitment to higher education, state support for colleges and universities has continued to decline. Total state support for higher education in 2009-2010 was down 1.1% from a year earlier. Without the additional \$2.4 billion in federal stimulus dollars for FY10 and FY11, the state would have been forced to reduce higher education funding even further. With a full economic recovery predicted to take several years, it is unlikely that state support for higher education will increase, with the probability of significant cuts in FY12 after the stimulus funds are removed.

As in the past, the College's enrollment has shown a direct correlation to the unemployment rate, with Spring 2010 enrollments up 12.7% over Spring 2009. Labor force workers seek to expand their current knowledge base/skill set or look for training in new fields during periods of increased unemployment. This increase in enrollment has placed a growing demand on available budgetary resources. With enrollment increases projected to continue, the College must continue to assess its degree and certificate offerings, ensuring that they meet the needs of the community's labor force and businesses.



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

Long Term Strategic Financial and Operational Planning

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



The College has Board approved policies to govern all aspects of its operations. To govern financial operations and decisions, the College has policies and procedures in the following areas: Finance, Investment, Debt, and Procurement. These policies provide guidance for planning of resources and fiscal integrity. The College’s Long-Range Plan strives to forecast the revenue and expenses for a five-year period in order to control expenses and yield a balanced budget. The Long-Range Plan models the College’s performance based on different revenue and expense scenarios. Fiscal accountability is achieved through the measurement of the College’s budget performance against its annual plan and trend analysis.

Budget Process

The College’s Board of Trustees adopts a budget for each fiscal year based on 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. Under the direction of the President, major budget units are required to submit a comprehensive budget package to the College’s Office of Systems, Budget & Management Support, including a full-time staffing plan, enrollment plan, and equipment requests.

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



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

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



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

financed with State appropriations and the purpose, priority, amount, and source of funds for these projects. The Regents and the General Assembly may approve, modify or decline aspects of the College's requested capital appropriation programs.

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

Financial Reporting

The College's Enterprise Resource Planning (ERP) system is set up to automatically monitor and control 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 authority to spend due to ongoing operations or an extraordinary event, additional spending must be approved by the Board of Trustees. The College must also submit a revised certificate of estimated resources to the Cuyahoga County Auditor.

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

Audit & Advisory Services

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

Cash Management

Ohio laws applicable to all community college districts govern investments and deposits of College funds. The Treasurer is responsible for those investments and deposits. Under recent and current practices, and adopted investment policies, investments are made in U.S. Treasury issuances, certificates of deposit, high-yield savings accounts, STAR Ohio (the State Treasurer's money market investment pool), high-grade commercial paper, and various fixed income and equity mutual funds.

Risk Management

As part of the College's loss transfer techniques, the Department of Risk Management works with a licensed broker to obtain the following insurance coverages: Commercial Property, Commercial General Liability, Commercial Auto, Umbrella Liability, Excess Umbrella Liability, Commercial Crime, Educators Professional/Fiduciary Liability, Foreign Travel, Medical Professional Liability, Basic Athletic Injury, Catastrophic Athletic Injury and Excess Worker Comp & Employers Liability. Settled claims have not exceeded the limits of any of the policies listed for the past three years.

Strategic Focus Areas

Cuyahoga Community College developed its 2009-2014 Strategic Plan on the basis of the Chancellor's *Strategic Plan for Higher Education: 2008-2017*, feedback received through the Academic Quality Improvement Program (AQIP) Systems Portfolio and the Systems Appraisal Feedback Report, and information gathered through a rigorous planning process involving representatives from throughout the College. Four strategic focus areas have been identified for the College to achieve its desired goals. The budget for fiscal year 2010 was developed according to these four strategic focus areas, allowing the College to align the institutional budget with the College mission and student success. These include:

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

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

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

Academic & Facility Master Plan Implementation



Construction and building for Cuyahoga Community College occurred primarily in the 1960's and early 70's. The College's 10-Year Academic and Facilities Master Plan is geared to enhance the success, learning and experiences of all our students. Over the next ten years, this Plan will keep the College as one of the top learning environments in the nation. Strategic initiatives in the Capital Program are now focused on implementing Phase I of this Plan as well as completing the projects that were funded in previous budget periods. The College is using proceeds from a \$121 million bond issue in fiscal year 2010 to complete construction of the new Westshore Campus, Workforce Career Center, and Eastern Campus Health Careers and Technology Center, resulting in increased enrollment and enhanced student services.

Academic Quality Improvement Program (AQIP)

In April of 2004, the College made the commitment to the Academic Quality Improvement Program (AQIP) for re-accreditation through the Higher Learning Commission. AQIP is a continuous improvement model and is an alternative to the traditional ten-year self study for reaccreditation through the Higher Learning Commission. There are nine categories of college processes and systems for which AQIP asks: 1) how do we know if these processes are working, and 2) how can we improve these processes to be more efficient and effective in support of student learning. The College submitted its first AQIP Systems Portfolio in June 2008 and had its first Quality Check-up Visit in September 2009.



Achieving the Dream



The College was selected in 2005 to be a part of Achieving the Dream (ATD), the national multi-year initiative created to help more community college students succeed. Results of the ATD initiatives have been tracked over the three-year program, with students in the ATD cohorts experiencing higher levels of student success, as measured by retention rate, credits earned, and grade point average compared to students not enrolled in the initiative. Even though the ATD funding is no longer available for Ohio institutions, Tri-C has received the ATD-Development Education Initiative (ATD-DEI) funding from the Bill & Melinda Gates

Foundation to continue the work of improving remedial education. Tri-C has also been selected as an ATD Leader College and continues to implement strategic goals to improve student success.

Strategic Alliances

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

Cuyahoga Community College is one of eight community colleges in the country selected to participate in the Walmart Brighter Futures project, a national demonstration project designed to assist community colleges in meeting the increasing need for training and services for dislocated workers. The training will focus on jobs requiring 21st century skills in an effort to provide a promising career future for the workers. In addition to specific job training, displaced workers will receive career counseling and job acquisition skills such as job search, resume writing, and interviewing techniques. Participants will also receive funds for tuition, books and other expenses associated with continuing their education. The resulting programs and services will serve as a model for other community colleges facing the same need to increase their offerings as a result of the economic downturn.

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

Corporate College and the Association of Energy Engineers (AEE) signed an agreement to advance the knowledge and professionalism in the field of energy management. Through this unique partnership, Corporate College will become the premier center of excellence for delivering AEE training in the Midwest region.

The College was selected by the U.S. Department of Health and Human Services to lead a group of 17 Midwestern community colleges that will offer health information technology (HIT) training to move the nation toward a system of electronic medical records. This initiative is part of a nationwide effort to meet requirements of the HITECH Act, which mandates that every U.S. citizen have an electronic medical record by 2014. The College and the other community colleges in the Midwestern Consortium will use federal grant funds to provide training to current and future healthcare workers who will integrate electronic health record information systems at hospitals, doctor's offices and other medical facilities throughout the nation.

The College's partnership agreement with Barnes & Noble for management of the Campus Book Store operations will provide the College with scholarship support, an annual profit guarantee, a 5% discount on textbooks, a 5% discount for My Tri-C Card purchases, and many other financial incentives. In addition, Barnes & Noble offers students a Cash-for-Books buyback program and is supporting the College's sustainability initiatives by providing eco-friendly school supply items.

In order to optimize the utilization of our enterprise resource planning (ERP) software and secure the utmost value from its capital investment, the College has negotiated a strategic partnership agreement with SunGard HE, 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 SunGard's Advisory Committee. This new innovative partnership with SunGard will place the College as a nationwide leader in the community college computing world and better align us with the College's mission and the Governor's Strategic Plan.

Accomplishments

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

- The successful passage of Issue 4, the 1.9 mill levy that will generate approximately \$550 million for the College over the next decade.
- Creating a new office of e-Learning and Innovation in response to the explosive growth of distance learning and new learning technologies.
- The opening of the state of the art Center for Creative Arts in partnership with the Rock and Roll Hall of Fame and Museum.
- A successful AQIP check-up visit that continues the College's quality improvement journey on the path to re-accreditation.
- Breaking ground on the new Westshore Campus and Brunswick Center which will help the College reach new populations and broaden our reach.
- Establishing a world-class Hospitality Management Center in downtown Cleveland on Public Square.
- The hiring of the first Vice President of Sustainability and the completion of a sustainability plan as the College embraces a culture of sustainability throughout the institution, including a new print management program and a power-down campaign.
- The restructuring of Workforce Solutions and Corporate College to more effectively respond to the workforce training needs of our region.

- Exceeding the Cuyahoga Community College Foundation Board of Directors fundraising goal for Fiscal Year 2010.
- Being chosen by the U.S. Department of Health and Human Services to lead a consortium of 17 Midwestern community colleges that will offer HIT training.

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, 2009. 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, 2009. 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, 2009. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

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

Acknowledgements

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

The timely preparation of this comprehensive annual financial report was made possible by the continued dedication and service of the Cuyahoga Community College Administration and Finance Division.

Respectfully submitted,



Dr. Craig Foltin, CPA
CFO/Treasurer
Administration & Finance



Mark Polatajko, CPA
Vice President
Administration & Finance



Michael Abouserhal, CPA
Executive Director
Accounting and Financial Operations

Certificate of Achievement for Excellence in Financial Reporting

Presented to
Cuyahoga Community College
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



A stylized, handwritten signature in black ink.

President

A stylized, handwritten signature in black ink.

Executive Director

Cuyahoga Community College President and Board of Trustees



President
Jerry Sue Thornton, Ph.D.



*County Commissioner
Appointment*
TERM ENDS: 01/16/15
Nadine H. Feighan



*Chairman
County Commissioner
Appointment*
TERM ENDS: 01/17/11
David W. Whitehead



Governor Appointment
TERM ENDS: 10/12/13
Patricia Kennedy-Scott



*Vice Chairman
Governor Appointment*
TERM ENDS: 10/12/12
K. Michael Benz



*County Commissioner
Appointment*
TERM ENDS: 01/17/12
Daniel A. Marcus



*County Commissioner
Appointment*
TERM ENDS: 01/17/12
Jay Coury



Governor Appointment
TERM ENDS: 10/12/12
Bruce D. Murphy



*County Commissioner
Appointment*
TERM ENDS: 01/17/11
Carmen E. DeHaan

Cuyahoga Community College

College Administration

Vacant, *Executive Vice President, Workforce & Economic Development*

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

Dr. Jacquelyn Joseph-Silverstein, *Executive Vice President, Academic & Student Affairs*

Dr. Linda Simmons, *President, Corporate College*

Dr. Belinda Miles, *Campus President, College Vice President, Eastern Campus*

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

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

Rebecca Ruppert McMahon, *General Counsel, Office of Legal Services*

Terry Butler, *Vice President, Access and College Pathways*

Dr. Patricia Gray, *Vice President, Medical Education Programs*

Gerard Hourigan, *Vice President, Information Technology Services*

Peter Mac Ewan, *Vice President, Facilities Development*

Judith McMullen, *Vice President, Human Resources*

Dr. Patricia Mintz, *Vice President, Student Success*

Alan Moran, *Vice President, Marketing & Communications*

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

Mark Polatajko, CPA, *Vice President, Administration & Finance*

Thomas Sohlberg, *Vice President, Corporate College*

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

Pete Ross, *Vice President, Enrollment Management*

Dr. J. Michael Thomson, *Interim Vice President, Academic Affairs*

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

CUYAHOGA COMMUNITY COLLEGE

MISSION

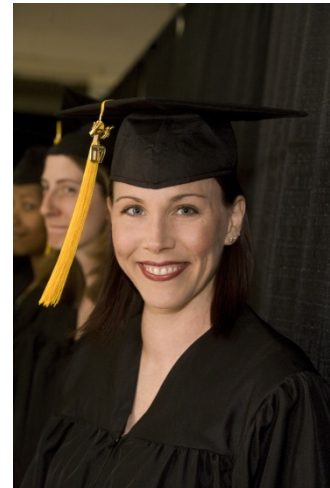
To provide high quality, accessible and affordable educational opportunities and services — including university transfer, technical and lifelong learning programs — that promote individual development and improve the overall quality of life in a multicultural community.

VISION

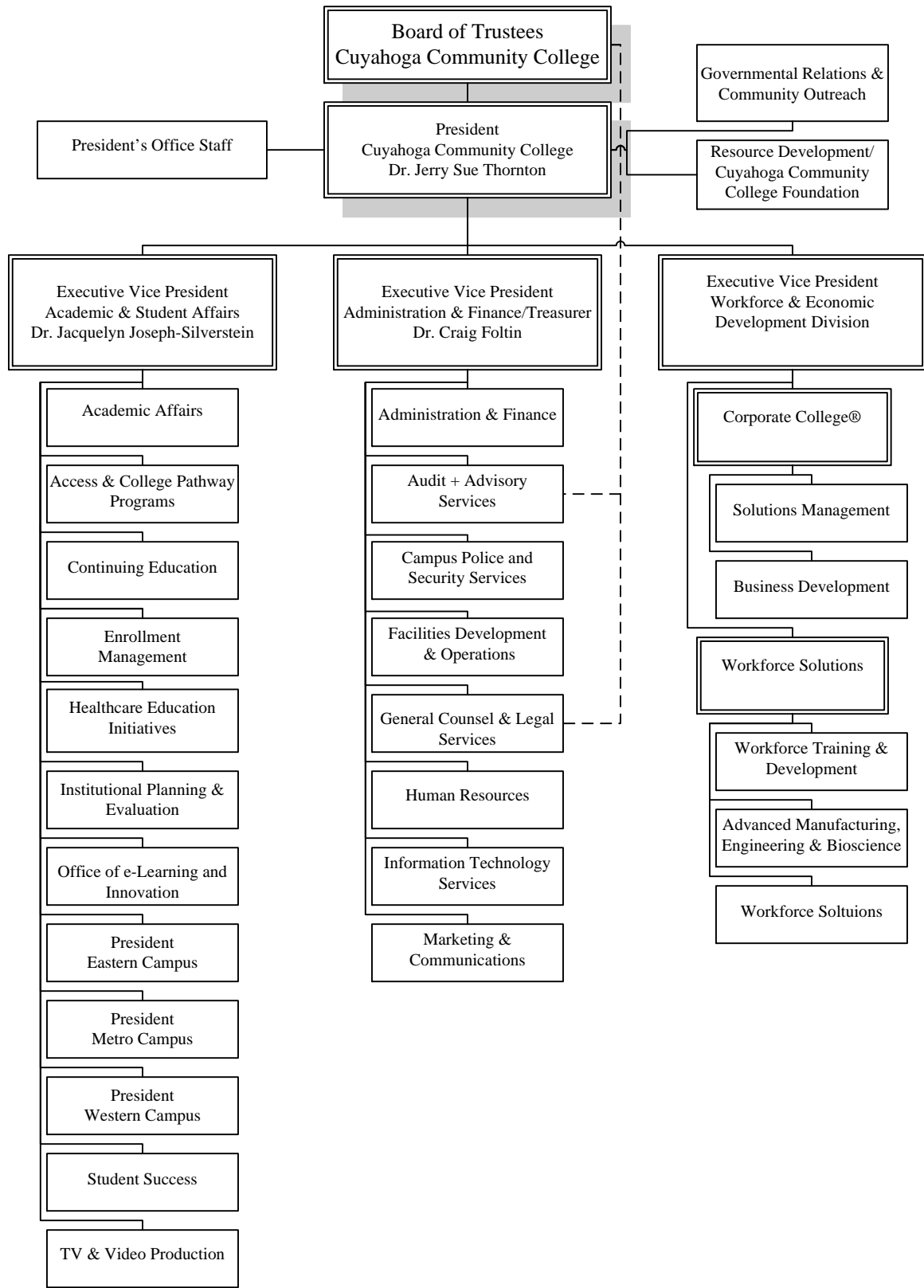
Cuyahoga Community College will be recognized as an exemplary teaching and learning community that fosters service and student success. The College will be a valued resource and leader in academic quality, cultural enrichment, and economic development characterized by continuous improvement, innovation,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

VALUES

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



Cuyahoga Community College Organizational Chart



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Financial Section

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Cuyahoga Community College
Cleveland, Ohio

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Cuyahoga Community College (the "College") as of and for the years ended June 30, 2010 and 2009, which collectively comprise the College's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 business-type activities and the discretely presented component unit of the College at June 30, 2010 and 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2010 on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Maloney + Novotny LLC

Cleveland, Ohio
November 18, 2010

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2010 and 2009
Unaudited

The management's discussion and analysis of Cuyahoga Community College's (the College) financial performance provides an overall review of the College's financial activities for the fiscal years ended June 30, 2010 and 2009. 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's financial position is reflected in the following key targeted metrics.

College Performance Metrics

	<u>Target</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Primary Reserve Ratio	>40%	31.2%	40.4%	45.3%
Viability Ratio	>60%	52.8%	62.5%	141.0%
Net Income Ratio	3.0%	2.4%	0.4%	5.9%
Debt Burden Ratio	<7%	5.4%	4.0%	4.1%
Debt Service Coverage Ratio	>3.13x	1.94x	1.86x	3.71x
Return on Net Assets Ratio	>4.43%	2.7%	0.4%	5.7%

- **Primary Reserve Ratio:** Provides a snapshot of the financial strength and flexibility by indicating how long the College could function using its expendable reserves without relying on additional net assets.
- **Viability Ratio:** Measures the financial health at a point in time. The ratio measures the availability of expendable net assets to cover debt.
- **Net Income Ratio:** Measures the financial performance in a given year.
- **Debt Burden Ratio:** Measures debt affordability by examining dependence on borrowed funds as a source of financing its mission and the relative cost of borrowing to overall expenditures.
- **Debt Service Coverage Ratio:** Measures the excess of income over adjusted expenses available to cover annual debt service payments.
- **Return on Net Assets Ratio:** Determines whether the College is financially better off than in previous years by measuring total economic return. The ratio is based on the level and change in total net assets, regardless of asset classification.

As of June 30, 2010, the College's financial position remains strong with total assets of \$598.8 million. Net assets increased from \$273.8 million to \$281.4 million during the year ended June 30, 2010. Net assets increased from \$272.8 million to \$273.8 million during the year ended June 30, 2009. The 2010 increase in net assets of \$7.6 million is \$6.6 million more than the 2009 increase of \$1.0 million and \$7.9 million less than the 2008 increase of \$15.5 million.

- During 2010, capital assets, net increased by \$34.9 million. The College issued an additional \$14.3 million of capital related debt (including capital leases) during 2010. During 2009, the College issued an additional \$125.2 million of capital related debt (includes capital leases, excludes tax anticipation notes) while increasing capital assets, net by \$41.3 million. Of the aforementioned

Cuyahoga Community College
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2010 and 2009
Unaudited

capital related debt issued in FY 2009, \$30.2 million was used to retire tax anticipation notes with the remainder allocated to future capital improvements. Operating revenues increased \$16.2 million and \$10.4 million in 2010 and 2009, respectively. The increase in revenue in 2010 resulted from a larger increase in student enrollment and the resulting increase in student tuition and fees and the increased use of the College's auxiliary enterprise funds. Contract and grants increased by \$10.1 million and \$5.6 million in 2010 and 2009 primarily due to the increased direct loan revenue. Operating expenses in 2010 increased by \$28.1 million due to the additional costs associated with the enrollment increase, to increases in fringe benefit costs and to increases due to normal inflationary factors. Non-operating revenues (expenses) increased by \$9.5 million in 2010 primarily due to the corresponding increase in financial aid awards associated with the increased enrollment offset by the elimination of certain financial aid programs at the state level and a decrease in State appropriations of \$2.2 million. Unrestricted investment income, classified as non-operating revenue, increased by \$4.4 million due to transfer of funds to high-yield savings accounts for better returns and the recovery of market value on certain College investments.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America, including GASB Statements No. 34 and No. 35. The College follows the "business-type activities" reporting requirements that provide a comprehensive College-wide look at the College's financial activities. The statements are:

- Statements of Net Assets
- Statements of Revenues, Expenses, and Changes in Net Assets
- Statements of Cash Flows

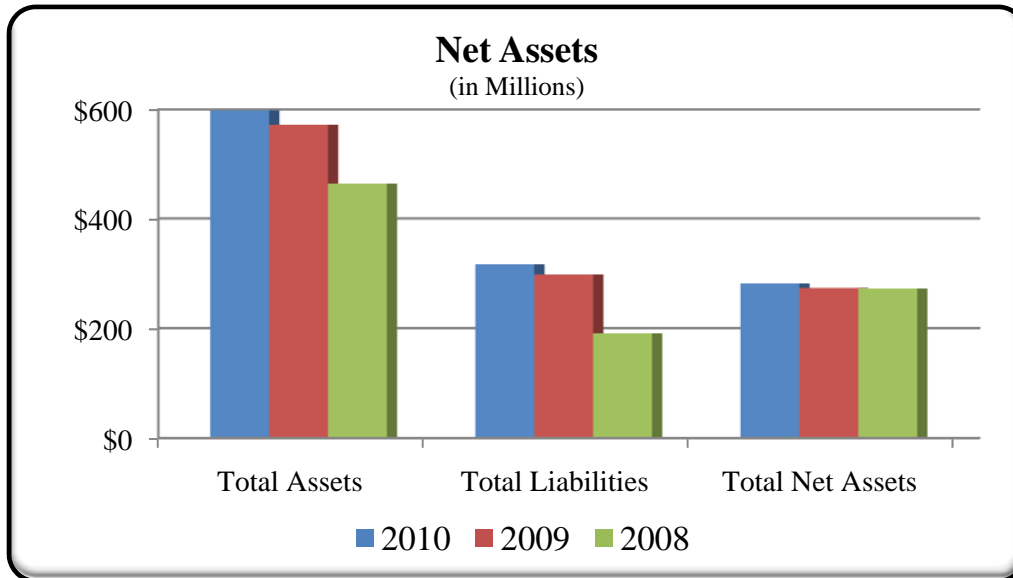
The statements are prepared on the accrual basis and present all assets and liabilities of the College, both financial and capital, and short and long-term. They also present all revenues and expenses of the College during the year, regardless of when cash was received or paid. Collectively, the statements provide information regarding the College's financial condition as of June 30, 2010 and 2009, and the results of its operations and cash flows for the years then ended. Although the Cuyahoga Community College Foundation is considered a component unit of the College, Management's Discussion and Analysis will focus on the activities of the College only.

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

Statement of Net Assets

The Statement of Net Assets includes all assets and liabilities of the College using the accrual basis of accounting.

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Cuyahoga County, Ohio
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Assets

Total 2010 assets increased \$27.3 million (4.8%) from 2009 principally due to the following factors:

- Capital assets, net of accumulated depreciation, increased by \$34.9 million due to the addition of \$55.2 million in buildings, building improvements and improvements other than building; and \$18.5 million in other non-building related capital assets, net; these additions were offset by a capitalization related decrease of \$18.6 million of construction in progress, net; and \$20.2 million in depreciation expense, net.
- Restricted cash and cash equivalents increased by \$24.3 million due to the \$18.5 million reinvestment of maturing restricted investments; establishment of a \$9.1 million holding account for the COPS proceeds; offset by the spending of the proceeds of various escrowed capital leases.
- Restricted investments decreased by \$33.6 million due to reinvesting matured investments into cash equivalents or short term investments. These investments represent unspent proceeds associated with the issuance of \$121,090,000 of Cuyahoga Community College District, Ohio General Receipts Bonds, Series C that occurred in June 2009.

Total 2009 assets increased \$108.1 million (23.3%) from 2008 principally due to the following factors:

- Capital assets, net of accumulated depreciation, increased by \$41.3 million due to the addition of \$39.7 million of construction in progress, net, \$8.4 million in buildings, building improvements and improvements other than building; \$4.4 million in other non-building related capital assets, net; and the acquisition of \$4.7 million in land; offset by \$15.9 million in depreciation expense, net.
- Restricted investments increased by \$70.8 million due to the investing of the proceeds associated with the issuance of \$121,090,000 of Cuyahoga Community College District, Ohio General Receipts Bonds, Series C that occurred in June 2009. Restricted cash and cash equivalents decreased by \$7.0 million because of the spending of the proceeds of various escrowed capital leases.

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- Accounts receivables, net of allowance for doubtful accounts, increased by \$9.6 million primarily due to the timing of the receipt of certain financial aid dollars. Cash and cash equivalents decreased by \$8.1 million primarily resulting from the timing of the receipt of the aforementioned receivables.
- Inventories decreased by \$1.8 million. In June 2009, the College entered into a management agreement with a contractor to operate the bookstores on behalf of the College. As a component of the agreement, the contractor is required to furnish the inventory at the College's bookstores.

Liabilities

Total 2010 liabilities increased \$19.6 million (6.6%) from 2009 principally due to the following factors:

- Certificates of Participation increased \$10.0 million to fund the construction and development of the Brunswick Higher Education Center.
- Capital lease obligations decreased \$2.8 million due to the College entering into four new capital leases in 2010 totaling \$3.7 million, offset by \$6.5 million of principal payments in the ordinary course of business. New leases were for desktop computers, telecommunications, and IT equipment for the backup and recovery system.
- Deferred revenue increased \$4.5 million due to an increase in student enrollment during the summer and fall semesters. Tuition revenue is recognized during each respective term (see Note 1B to the financial statements).
- Accounts payable and accrued liabilities increased by \$8.8 million primarily due to payables associated with construction projects, \$5.4 million of which is related to the Westshore Learning Center.

Total 2009 liabilities increased \$107.2 million (56.2%) from 2008 principally due to the following factors:

- General receipts bonds increased \$122.4 million due to the issuance of the Cuyahoga Community College District, Ohio General Receipts Bonds, Series C in June 2009 and its related premium and the principal payment on outstanding bonds.
- Capital lease obligations decreased \$2.7 million due to the College entering into four new capital leases in 2009 totaling \$4.2 million, offset by \$6.9 million of principal payments in the ordinary course of business. (One telecommunication lease totaled \$1.6 million and three technology leases totaled \$2.6 million.)
- Tax anticipation notes decreased \$20.9 million due to the retirement of the note from proceeds of the issuance of the General Receipts Bonds Series C.
- Deferred revenue increased \$3.9 million due to an increase in student enrollment during the summer semester. Tuition revenue is recognized during each respective term (see Note 1B to the financial statements).
- Accounts payable and accrued liabilities increased by \$2.1 million primarily due to the increase in accrued interest payable of \$1.4 million that resulted from the issuance of the General Receipts Bonds Series C in June 2009.

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Condensed information from the College's statements of net assets follows:

(Table 1)
Net Assets
(in Thousands)

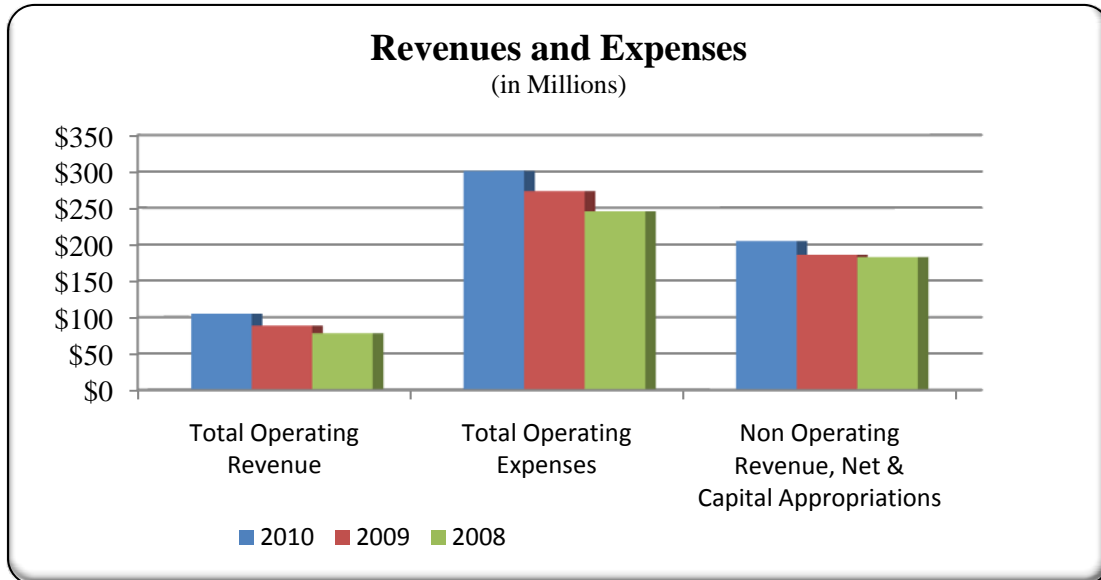
	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assets			
Current Assets	\$ 212,552	\$ 212,804	\$ 211,299
Non-current Assets:			
Capital Assets, Net	295,355	260,452	219,198
Other	90,871	98,268	32,887
<i>Total Non-current Assets</i>	<u>386,226</u>	<u>358,720</u>	<u>252,085</u>
<i>Total Assets</i>	<u>598,778</u>	<u>571,524</u>	<u>463,384</u>
Liabilities			
Current Liabilities	140,009	121,342	128,679
Non-current Liabilities	177,371	176,407	61,916
<i>Total Liabilities</i>	<u>317,380</u>	<u>297,749</u>	<u>190,595</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	186,530	162,435	160,745
Restricted - Expendable	2,528	2,598	2,315
Unrestricted	92,340	108,742	109,729
<i>Total Net Assets</i>	<u>\$ 281,398</u>	<u>\$ 273,775</u>	<u>\$ 272,789</u>

Net assets increased from \$273.8 million to \$281.4 million during the year ended June 30, 2010. Net assets increased from \$272.8 million to \$273.8 during the year ended June 30, 2009.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets present the operating results of the College, as well as the non-operating revenues and expenses. Annual State appropriations and local property taxes, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles. In 2009, the College reclassified certain federal and state grants to nonoperating based upon updated guidance from GASB.

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Operating Revenues

Total 2010 operating revenues increased \$16.2 million (18.4%) from 2009 principally due to the following factors:

- Student tuition and fees increased \$4.0 million (11.0%) as a result of increased enrollment.
- Contracts and grants increased \$10.1 million (33.9%) primarily as a result of the increase in direct loans associated with the increased enrollment.
- Auxiliary enterprises, consisting of book centers, parking facilities, and food service, increased \$2.2 million (16.5%) as a result of increased enrollment and utilization of the services; \$1.9 million of this increase is related to book centers.

Total 2009 operating revenues increased \$10.4 million (13.4%) from 2008 principally due to the following factors:

- Student tuition and fees increased \$2.3 million (6.8%) as a result of increased enrollment.
- Contract and grants increased \$5.6 million (23.1%) as a result of the increase in direct loans associated with the increased enrollment.
- Auxiliary enterprises, consisting of book centers, parking facilities, and food service, increased \$2.1 million or 18.7%. Revenues related to these operations increased due to increased enrollment and the implementation of a new parking fee system for students

Operating Expenses

Total 2010 operating expenses increased \$28.1 million (10.3%) from 2009 principally due to the following factors:

- Public service expenses increased \$1.7 million (8.7%) mostly from expanded Federal programs to address student success and healthcare worker shortages.

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- Student aid expenses increased approximately \$14.0 million (28.8%) due to increased PELL and Direct Loan scholarship revenues and increased need within a growing student base.
- Auxiliary enterprises increased \$1.5 million (12.0%) due to bookstore increased management fee that resulted from increased revenue.
- Depreciation expense increased \$4.3 million (26.9%) related to projects being completed and placed into service, namely the Center for Creative Arts, Mechanical Equipment Replacement, Dental Area Renovations, East One-Stop Shop, Healthcare, and various Roof Replacements.

Total 2009 operating expenses increased \$27.9 million (11.4%) from 2008 principally due to the following factors:

- Of the increase in operating expenses, \$10.8 million is due to scheduled salary increases, general increases in cost of benefits and increased staffing due to increased enrollment. This increase is spread throughout most categories.
- Student aid expenses increased approximately \$10.1 million (26.1%) due to increased PELL and Direct Loan scholarship revenues and increased need.
- Auxiliary enterprises increased \$1.9 million (16.9%) due to increased cost of goods sold that resulted from increased enrollment.
- Operation and maintenance of plant increased \$4.9 million (21.1%) due to increased labor costs (\$0.8 million), utility cost increases (\$0.2 million) and the additional costs to improve maintenance (both interior and exterior) at the College campuses (\$0.8 million). Approximately \$1.0 million of the increase was from costs previously classified under institutional support and \$2.0 million of the increase was from equipment costs and other project costs that fell below the capitalization threshold.

Non-operating Revenues (Expenses)

Total 2010 non-operating revenues (expenses) increased \$9.5 million (5.3%) from 2009 principally due to the following factors:

- State appropriations decreased \$2.2 million (-3.5%) due to allotment trends which reduced regular and special state subsidy amounts by almost \$11.0 million. The American Recovery and Reinvestment Act (ARRA) funded the State Fiscal Stabilization Fund which provided \$8.8 million to help offset this reduction.
- Contracts and grants increased \$7.5 million. Federal contracts and grants increased \$16.3 million (50.5%) as a result of increased enrollment; increased eligibility due to current economic conditions; and more students receiving federal aid due to the closeout of state programs. State contracts and grants decreased \$8.8 million (-102.0%) almost entirely from the closing of the Ohio College Opportunity Grant/Ohio Instruction Grant programs.
- Investment income, net classified as non-operating revenue, increased by \$4.5 million due to the transfer of funds to high-yield savings for better returns and the recovery of market value on certain College investments.

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Total 2009 non-operating revenues (expenses) increased \$1.7 million (1.0%) from 2008 principally due to the following factors:

- State appropriations increased \$1.9 million (3.0%) due to Ohio House Bill No. 119 that was enacted to replace lost revenue caused by the State of Ohio's mandated tuition rate freeze.
- Property taxes decreased \$.9 million (-1.1%) due to an increase in foreclosures resulting in an increase in delinquencies.
- Federal grants and contracts increased \$5.6 million (20.7%) and state grants and contracts increased \$1.6 million (22.2%) as a result of increased enrollment. Also, due to the current economic condition, a greater percentage of students have become eligible for financial aid resulting in an increase in federal and state grants and contracts.
- Unrestricted investment income, classified as non-operating revenue, decreased by \$6.1 million due to lower interest rates and the loss in market value on certain College investments.

State Capital Appropriations

Total 2010 capital appropriations from the State of Ohio increased \$9.0 million from 2009. The College receives capital dollars from the State of Ohio for joint State projects that are approved as a part of the State's biennial budget process. During 2010, there were more State funded projects than in 2009.

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Condensed information from the College's statements of revenues, expenses and changes in net assets follows:

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating Revenues			
Net Tuition and Fees	\$ 40,906	\$ 36,859	\$ 34,518
Contracts and Grants	39,948	29,844	24,254
Auxiliary Enterprises	15,551	13,349	11,250
Other	7,833	7,978	7,581
<i>Total Operating Revenue</i>	<u>\$ 104,238</u>	<u>\$ 88,030</u>	<u>\$ 77,603</u>
Operating Expenses			
Educational and General:			
Instruction and Departmental Research	72,984	\$ 67,470	\$ 63,172
Public Service	21,740	19,999	17,481
Academic Support	22,325	21,694	20,242
Student Services	21,180	19,950	18,682
Institutional Support	37,130	37,759	34,757
Operation and Maintenance of Plant	27,977	28,207	23,300
Student Aid	62,728	48,703	38,620
Depreciation	20,165	15,895	17,382
Auxiliary Enterprises	14,512	12,966	11,093
<i>Total Operating Expenses</i>	<u>300,741</u>	<u>272,643</u>	<u>244,729</u>
<i>Net Operating Loss</i>	<u>(196,503)</u>	<u>(184,613)</u>	<u>(167,126)</u>
Non-operating Revenues (Expenses)			
State Appropriations	61,257	63,465	61,611
Property Taxes	81,327	81,012	81,888
Contracts and Grants	48,568	41,100	33,957
Investment Income, Net	2,933	(1,516)	4,655
Other Revenues (Expenses)	(3,572)	(3,054)	(2,805)
<i>Total Non-operating Revenues (Expenses)</i>	<u>190,513</u>	<u>181,007</u>	<u>179,306</u>
Income before State Capital Appropriations	(5,990)	(3,606)	12,180
<i>State Capital Appropriations</i>	<u>13,613</u>	<u>4,592</u>	<u>3,358</u>
<i>Increase in Net Assets</i>	<u>7,623</u>	<u>986</u>	<u>15,538</u>
<i>Net Assets - Beginning of Year</i>	<u>273,775</u>	<u>272,789</u>	<u>257,251</u>
<i>Net Assets - End of Year</i>	<u>\$ 281,398</u>	<u>\$ 273,775</u>	<u>\$ 272,789</u>

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CAPITAL ASSETS AND DEBT ADMINISTRATION

The College's net capital assets totaled \$295.4 million, \$260.5 million, and \$219.2 million as of June 30, 2010, 2009 and 2008, respectively. The College uses State capital appropriations, internal resources including debt proceeds, gifts and other grants for the acquisition of capital assets. State capital appropriations are budgeted on a biennium basis and are predominantly based on the respective institution's enrollment, size, and age of facilities. During fiscal year 2010, the College's capital assets additions totaled \$55.1 million and depreciation expense was \$20.2 million. Additional information on the College's capital assets may be found in Note 4 of the financial statements.

The College's debt, which is all capital related, is comprised of 2002 Series A Ohio General Receipts Bonds (*Aa2 Rated Moody's Investors Services*), 2009 Series C Ohio General Receipts Bonds (*Aa2 Rated Moody's Investor Services, AA- Rated Standard and Poor's*), certificates of participation (*AAA Rated Standard and Poor's*) and capital lease obligations. The College maintains an excellent overall debt rating of Aa1 from Moody's Investors Service and AA- from Standard and Poor's. Capital lease obligations decreased \$2.8 million due to the College entering into four new capital leases in 2010 totaling \$3.7 million, offset by \$6.5 million of principal payments in the ordinary course of business. In July 2009, the College issued Certificates of Participation, Series 2009 in the amount of \$10,575,000 (the "Certificates"). The proceeds of the Certificates will be used to finance the acquisition, construction, furnishing and equipping of a facility to be known as the Brunswick Higher Education Center and to pay the costs of issuing the Certificates. The legal debt service margins as of June 30, 2010, 2009 and 2008 are \$56.0 million, \$56.7 million and \$54.4 million. During 2008, the College established a debt procedure to guide the issuance of debt. The debt procedure outlines performance metrics targets and establishes internal procedures for debt issuance and debt management. The targets were based on median benchmark scores from Moody's Investor Service and the Higher Learning Commission's Strategic Financial Analysis for Higher Education. Additional information on the College's debt may be found in Notes 11, 12 and 13 of the financial statements.

FACTORS IMPACTING FUTURE PERIODS

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

The current environment in Cuyahoga County and Northeast Ohio has a direct impact on the College. The Cuyahoga County unemployment rate has increased from 7.1% in December, 2008 to 9.2% in December, 2009. In addition, Cuyahoga County continues to experience significant reductions in population, from 1,330,428 in 2005 to 1,275,709 in 2010. The Ohio Department of Development projects that total population will continue to decrease. The County has also seen a reduction in foreclosure rates overall. However, several recent developments have significantly reduced the total revenues the College will receive from its two levies. Cuyahoga County reduced assessed housing valuations by 8% and the estimated collectability rate from 97% to 96%. The State of Ohio is also going through a period of economic downturn and

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increasing unemployment causing the State of Ohio to undergo significant program reductions. For fiscal year 2010, the State of Ohio enacted funding changes for higher education. Beginning in fiscal year 2010, the State of Ohio discontinued Access Challenge funding. To offset this impact, the State has increased its share of State appropriation funding. The net result to the College is a \$2.2 million decrease in state aid for fiscal year 2010. The State of Ohio is currently using American Recovery and Reinvestment Act (stimulus) monies within its funding mechanism. The loss of this revenue source in future years will impact the overall budget for the State of Ohio and potentially impact the State funding provided to higher education. Also, financial aid for students was reduced due to changes in certain state grants. A portion of this loss of revenue will be offset by the increase in the amount of Pell awards. The College passed a levy in November 2009, which increased millage from 1.6 to 1.9 and is projected to generate an additional \$6 million in revenue beginning January 2011.

The current economic challenges have also generated opportunities. More individuals are attending community colleges for job retraining or to minimize high tuition costs charged by 4 year institutions. Enrollment for the fall semester for fiscal year 2010 exceeds the fall semester for fiscal year 2009 by more than 16%. For the fiscal year 2011 budget, the College has instituted a number of budgetary measures including redefining the hiring process to include a high level approval of certain hires with extra focus on the hiring of part time employees, increasing tuition by 5% beginning the fall semester, holding operating expenditures at a 1% increase over fiscal year 2010 levels, expanding operational efficiencies and energy savings, moving forward with the College's Academic and Facilities Master Plan and providing funding for the new Westshore and Brunswick campuses.

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 Abouserhal, CPA, Executive Director of Accounting and Financial Operations for Cuyahoga Community College, 700 Carnegie Avenue, Cleveland, Ohio 44115 or email at Mike.Abouserhal@tri-c.edu.

Cuyahoga Community College

Cuyahoga County, Ohio

Statements of Net Assets

June 30, 2010 and 2009

	2010 Cuyahoga Community College	2009 Cuyahoga Community College	2010 Component Unit CCC Foundation	2009 Component Unit CCC Foundation
Current Assets:				
Cash and Cash Equivalents (Note 2)	\$50,904,286	\$70,712,336	\$281,805	\$178,826
Investments (Note 2)	48,201,948	32,979,719	0	0
Property Taxes Receivable (Note 7)	80,924,888	75,500,796	0	0
Accounts Receivables, Net (Note 3)	25,813,247	26,171,505	2,278,571	2,396,098
Restricted Receivables (Note 3)	3,383,585	3,890,065	0	0
Other Assets (Note 3)	3,324,063	3,549,190	75,000	0
<i>Total Current Assets</i>	<u>212,552,017</u>	<u>212,803,611</u>	<u>2,635,376</u>	<u>2,574,924</u>
Noncurrent Assets:				
Restricted Cash and Cash Equivalents (Note 1)	33,903,422	9,650,099	3,942,405	5,129,940
Restricted Investments (Notes 1 and 17)	37,222,415	70,794,735	16,918,817	12,732,047
Investments (Note 2)	17,928,877	16,342,226	0	0
Other Assets (Note 3)	1,815,871	1,481,658	0	0
Capital Assets, Not Being Depreciated (Note 4)	62,586,376	81,160,791	0	0
Capital Assets, Net of Depreciation (Note 4)	232,768,817	179,290,889	0	0
<i>Total Noncurrent Assets</i>	<u>386,225,778</u>	<u>358,720,398</u>	<u>20,861,222</u>	<u>17,861,987</u>
<i>Total Assets</i>	<u>598,777,795</u>	<u>571,524,009</u>	<u>23,496,598</u>	<u>20,436,911</u>
Current Liabilities:				
Accounts Payable and Accrued Liabilities (Note 5)	24,355,834	15,567,173	374,180	689,366
Liabilities Payable from Restricted Assets (Note 5)	1,206,907	1,634,764	0	0
Deferred Property Tax Revenue (Note 7)	75,999,388	70,141,797	0	0
Deferred Revenue (Note 1)	23,623,906	19,156,094	0	0
Capital Lease Obligations - current portion (Note 11)	6,928,109	6,520,896	0	0
General Receipt Bonds - current portion (Note 13)	4,700,000	5,515,000	0	0
Certificates of Participation - current portion (Note 13)	565,000	0	0	0
Claims and Other Liabilities - current portion (Note 10)	1,609,282	1,825,352	0	0
Compensated Absences - current portion (Note 14)	1,020,317	981,028	0	0
<i>Total Current Liabilities</i>	<u>140,008,743</u>	<u>121,342,104</u>	<u>374,180</u>	<u>689,366</u>
Noncurrent Liabilities:				
Capital Lease Obligations (Note 11)	18,796,159	22,037,049	0	0
General Receipt Bonds (Note 13)	139,218,977	144,046,351	0	0
Certificates of Participation (Note 13)	9,390,873	0	0	0
Claims and Other Liabilities (Note 10)	2,842,405	3,530,692	0	0
Compensated Absences (Note 14)	7,122,424	6,792,990	0	0
<i>Total Noncurrent Liabilities</i>	<u>177,370,838</u>	<u>176,407,082</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>317,379,581</u>	<u>297,749,186</u>	<u>374,180</u>	<u>689,366</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt Restricted:				
Nonexpendable (Note 17)	0	0	2,041,799	2,037,799
Expendable (Note 1 and Note 17)	2,528,140	2,597,645	20,798,814	17,574,082
Unrestricted	92,339,624	108,742,300	281,805	135,664
<i>Total Net Assets</i>	<u>\$281,398,214</u>	<u>\$273,774,823</u>	<u>\$23,122,418</u>	<u>\$19,747,545</u>

See accompanying notes to the basic financial statements

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Years Ended June 30, 2010 and 2009

	2010 Cuyahoga Community College	2009 Cuyahoga Community College	2010 Component Unit CCC Foundation	2009 Component Unit CCC Foundation
Operating Revenues:				
Student Tuition and Fees (Net of scholarship allowances of \$14,651,505 in 2010 and \$12,381,086 in 2009)	\$40,906,150	\$36,859,452	\$0	\$0
Federal Grants and Contracts	36,200,156	25,048,486	0	0
State Grants and Contracts	680,254	875,310	0	0
Local Grants and Contracts	1,238	47,880	0	0
Private Grants and Contracts	3,066,377	3,871,124	3,169,483	4,279,428
Sales and Services	6,116,965	5,988,635	0	0
Auxiliary Enterprises	15,551,030	13,349,211	0	0
Other Operating Revenues	1,716,005	1,990,019	1,547,476	1,337,470
<i>Total Operating Revenues</i>	<u>104,238,175</u>	<u>88,030,117</u>	<u>4,716,959</u>	<u>5,616,898</u>
Operating Expenses:				
Educational and General:				
Instruction and Departmental Research	72,984,335	67,469,454	0	0
Public Service	21,739,728	19,998,524	0	0
Academic Support	22,325,165	21,694,131	0	0
Student Services	21,180,001	19,950,459	0	0
Institutional Support	37,129,438	37,758,559	2,355,765	2,403,106
Operation and Maintenance of Plant	27,977,239	28,206,819	0	0
Student Aid	62,728,016	48,703,203	1,037,875	1,689,932
Depreciation	20,165,455	15,895,045	0	0
Auxiliary Enterprises	14,511,574	12,966,387	0	0
<i>Total Operating Expenses</i>	<u>300,740,951</u>	<u>272,642,581</u>	<u>3,393,640</u>	<u>4,093,038</u>
<i>Operating Income (Loss)</i>	<u>(196,502,776)</u>	<u>(184,612,464)</u>	<u>1,323,319</u>	<u>1,523,860</u>
Non-Operating Revenues (Expenses):				
State Appropriations	61,256,906	63,465,276	0	0
Property Taxes	81,327,589	81,011,910	0	0
Federal Grants and Contracts	48,740,244	32,393,686	0	0
State Grants and Contracts	(172,509)	8,706,147	0	0
Unrestricted Investment Income (Net of Investment Expenses of \$103,256 in 2010 and \$97,121 in 2009)	2,546,861	(1,711,239)	0	0
Restricted Investment Income (Loss)	385,770	195,112	2,051,554	(4,179,851)
Interest on Capital Debt	(3,375,174)	(3,027,387)	0	0
Other Revenues (Expenses)	(196,309)	(27,156)	0	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>190,513,378</u>	<u>181,006,349</u>	<u>2,051,554</u>	<u>(4,179,851)</u>
<i>Income (Loss) Before State Capital Appropriations</i>	<u>(5,989,398)</u>	<u>(3,606,115)</u>	<u>3,374,873</u>	<u>(2,655,991)</u>
State Capital Appropriations	13,612,789	4,591,524	0	0
<i>Changes in Net Assets</i>	<u>7,623,391</u>	<u>985,409</u>	<u>3,374,873</u>	<u>(2,655,991)</u>
<i>Net Assets Beginning of Year</i>	<u>273,774,823</u>	<u>272,789,414</u>	<u>19,747,545</u>	<u>22,403,536</u>
<i>Net Assets End of Year</i>	<u>\$281,398,214</u>	<u>\$273,774,823</u>	<u>\$23,122,418</u>	<u>\$19,747,545</u>

See accompanying notes to the basic financial statements

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2010 and 2009

	2010	2009
	Cuyahoga Community College	Cuyahoga Community College
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities:		
Student Tuition and Fees	\$38,113,452	\$36,509,128
Grants and Contracts	45,528,985	24,640,650
Sales and Services	7,832,970	7,978,654
Auxiliary Enterprises	16,214,774	12,433,906
Employee and Related Payments	(155,921,441)	(144,808,397)
Supplier and Vendor Payments	(59,966,038)	(62,907,589)
Payments for Scholarships and Student Aid	(62,735,201)	(48,847,050)
Other Receipts	1,159,361	202,448
<i>Net cash provided by (used for) operating activities</i>	<u>(169,773,138)</u>	<u>(174,798,250)</u>
Cash Flows from Noncapital Financing Activities:		
Property Tax Receipts	81,761,089	82,102,910
State Appropriations	61,256,906	63,465,276
Grants and Contracts	49,182,351	40,453,477
<i>Net cash provided by (used for) noncapital financing activities</i>	<u>192,200,346</u>	<u>186,021,663</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Capital Debt, Notes and Leases	14,293,848	157,327,289
Proceeds from Sale of Capital Assets	2,988	121
Bond Issue Costs	0	(246,338)
Purchases of Capital Assets	(36,789,293)	(49,985,000)
Principal paid on Capital Debt, Notes and Leases	(12,687,970)	(58,411,571)
Interest Paid on Capital Debt, Notes and Leases	(2,541,184)	(1,602,794)
<i>Net cash provided by (used for) capital and related financing activities</i>	<u>(37,721,611)</u>	<u>47,081,707</u>
Cash Flows from Investing Activities:		
Proceeds from Sales and Maturities of Investments	113,962,292	56,113,287
Purchases of Investments	(94,522,569)	(131,176,249)
Investment Income	299,953	1,622,596
<i>Net cash provided by (used for) investing activities</i>	<u>19,739,676</u>	<u>(73,440,366)</u>
<i>Net change in Cash and Cash Equivalents</i>	4,445,273	(15,135,246)
<i>Cash and Cash Equivalents - beginning of year</i>	<u>80,362,435</u>	<u>95,497,681</u>
<i>Cash and Cash Equivalents - end of year</i>	<u><u>\$84,807,708</u></u>	<u><u>\$80,362,435</u></u>

(continued)

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Cash Flows (continued)
For the Fiscal Years Ended June 30, 2010 and 2009

	2010 Cuyahoga Community College	2009 Cuyahoga Community College
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Operating Income (Loss)	(\$196,502,776)	(\$184,612,464)
Adjustments:		
Depreciation expense	20,165,455	15,895,045
<i>(Increase) Decrease in Assets:</i>		
Receivables, net	41,204	(10,193,914)
Inventories	0	1,802,802
Other Assets	225,127	(539,845)
<i>Increase (Decrease) in Liabilities:</i>		
Accounts Payable and Accrued Liabilities	2,365,674	(1,601,399)
Deferred Revenue	4,467,812	3,950,218
Compensated Absences	368,723	556,601
Claims and Other Liabilities	(904,357)	(55,294)
<i>Net cash provided by (used for) operating activities</i>	<u>(\$169,773,138)</u>	<u>(\$174,798,250)</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets:		
Cash and Cash Equivalents	\$50,904,286	\$70,712,336
Restricted Cash and Cash Equivalents-Noncurrent	33,903,422	9,650,099
Total Cash and Cash Equivalents at Year End	<u>\$84,807,708</u>	<u>\$80,362,435</u>
Non-Cash Activities:		
State capital projects paid directly to vendors on College behalf	\$13,612,789	\$4,591,524
Unrealized gain (loss) on investments	2,252,229	(3,272,140)

See accompanying notes to the basic financial statements

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For The Years Ended June 30, 2010 and 2009

Note 1 – Summary of Significant Accounting Policies

Reporting Entity – Cuyahoga Community College (the “College”) is an institution of higher education. In accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*, the College is a related organization to Cuyahoga County because Cuyahoga County Board of Commissioners 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 Board of Cuyahoga County Commissioners and three by the Governor of the State of Ohio. A President and Treasurer are appointed by the Board of Trustees to oversee day to day operations and to ensure the fiscal control of the resources of the College.

The College is exempt from income taxes as a political subdivision under federal income tax laws and regulations of the Internal Revenue Service.

Component units are legally separate organizations for which the College is financially accountable or for which the nature and significance of their relationship with the College are such that exclusion would cause the College’s financials to be misleading or incomplete.

The component unit column in the financial statements identifies the financial data of the College's component unit, the Cuyahoga Community College Foundation (the “Foundation”), which is a legally separate, not-for-profit organization incorporated and operated exclusively for the benefit of the College and is presented as a discrete component unit in the accompanying financial statements in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14*. It is reported separately to emphasize that it is legally separate from the College. During the years 2010 and 2009, the Foundation made distributions of approximately \$2.8 million and \$3.5 million to the College for restricted and unrestricted purposes. Complete financial statements may be obtained from the Foundation office at 700 Carnegie Avenue, Cleveland, Ohio 44115.

A. Basis of Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) as prescribed by the GASB. The College follows the “business-type activities” reporting requirements of GASB Statement No. 34. In accordance with GASB Statement No. 34, *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments*, the Statements of Net Assets, the Statements of Revenues, Expenses, and Changes in Net Assets, and the Statements of Cash Flows are reported on a College-wide basis.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the College is required to follow all applicable GASB pronouncements. In addition, the College should apply all applicable Financial Accounting Standards Board (“FASB”) Statements and Interpretations, Accounting Principles Board (“APB”) Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The College has elected to not apply FASB statements and interpretations issued after November 30, 1989.

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Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For The Years Ended June 30, 2010 and 2009

B. 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. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

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

Revenues and expenditures related to academic terms conducted over two fiscal years, such as summer sessions, are recognized in the fiscal year in which the program is predominantly conducted. In addition, property taxes and certain grant proceeds that do not meet the revenue recognition criteria under GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and No. 36, *Recipient Reporting for Certain Sharing Nonexchange Revenues (an amendment of GASB Statement No. 33)*, are deferred.

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

C. Cash Equivalents

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

D. Investments

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

E. Inventories

Inventories consist of goods held for resale to operate its bookstores and are valued at the lower of cost (first-in, first-out) or market. Inventory costs are charged to operations when inventory is sold or consumed. In June 2009, the College entered into a management agreement with a contractor to operate the bookstores on behalf of the College.

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Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For The Years Ended June 30, 2010 and 2009

As a component of the agreement, the contractor is required to furnish the inventory at the College's bookstores. As a result, the College had no inventory at June 30, 2010 or 2009.

F. Capital Assets

Land, buildings and equipment are recorded at cost at the date of acquisition, or fair value at the date of donation in the case of gifts. Building improvements and improvements other than buildings are recorded at the aggregate cost of the construction of the improvement. Library books are purchased and recorded as a composite group of similar assets according to the limits below. When property is sold or otherwise disposed of, the carrying value of such assets is removed from the accounts. All depreciation is calculated using the straight-line method over the estimated useful life of the asset and is presented as a separate functional expense category. Expenditures for construction in progress are capitalized as incurred. Interest expense relating to construction is capitalized net of interest income earned on resources set aside for this purpose. For fiscal year 2010, total interest incurred amounted to \$8,138,088 of which \$4,762,914 was capitalized. For fiscal year 2009, total interest incurred amounted to \$4,429,578 of which \$1,402,191 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

G. Compensated Absences

Full time employees receive paid time off for vacation, illness, and personal reasons. Time is accrued on a fiscal year basis. The amount of time accrued plus the amount of unused leave that can be carried over into the next fiscal year is dependent on the employee's job classification. Compensated absences, including unpaid vacation and sick leave are accrued to conform to GASB Statement No. 16, *Accounting for Compensated Absences*, using the vesting method. See Note 14 for more information.

H. Net Asset Classifications

In accordance with GASB Statement No. 34 guidelines, the College's resources are classified into the following net assets categories:

Invested in Capital Assets, Net of Related Debt – capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. This includes assets to be used in a capital nature.

Restricted – Expendable – net assets whose use is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time.

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Unrestricted – net assets that are not subject to externally imposed restrictions. Unrestricted net assets may be designated for specific purposes by the Board of Trustees.

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

I. Operating Revenues and Expenses

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

J. Use of Estimates

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

K. Reclassifications

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

L. Scholarship Allowances

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

M. New Accounting Pronouncements

For fiscal year 2010, the College has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, "*Accounting and Reporting for Intangible Assets*", Statement No. 53, "*Accounting and Financial Reporting for Derivative Instruments*", Statement No. 57, "*OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*", and Statement No. 58, "*Accounting and Financial Reporting for Chapter 9 Bankruptcies*".

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this Statement did not result in any change to the College's financial statements.

GASB Statement No. 53 enhances the usefulness and comparability of derivative instrument information reported by state and local governments. This Statement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instrument transactions. The implementation of this Statement did not result in any change to the College's financial statements.

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GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this Statement did not result in any change in the College's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this Statement did not result in any change in the College's financial statements.

N. Restricted Net Assets

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

	<u>2010</u>	<u>2009</u>
Instruction	\$114,843	\$129,829
Public Service	1,105,321	1,122,734
Academic Support	234,680	320,943
Student Services	14,709	11,044
Institutional Support	21,162	28,123
Student Aid	1,036,221	983,768
Other	1,204	1,204
	<u>\$2,528,140</u>	<u>\$2,597,645</u>

O. Restricted Cash and Cash Equivalents

The College has unspent capital lease proceeds of \$782,109 and \$4,079,899 at June 30, 2010 and June 30, 2009, respectively, whose use has been externally restricted primarily for two significant energy efficiency building improvements and a communication system. The College has unspent debt proceeds of \$32,769,851 and \$5,227,860 whose use is restricted for various capital projects at June 30, 2010 and June 30, 2009, respectively. Also, \$351,462 and \$342,340 for June 30, 2010 and June 30, 2009, respectively, is restricted for other miscellaneous purposes.

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Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For The Years Ended June 30, 2010 and 2009

P. Restricted Investments

At June 30, 2010 and June 30, 2009, the College has unspent debt proceeds of \$37,222,415 and \$70,794,735, respectively, whose use is restricted for various capital projects.

Q. 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.

Note 2 – Deposits and Investments

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

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 40, "*Deposit and Investment Risk Disclosures*".

Deposits – Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty to a transaction, the College will be unable to recover the value of deposits or collateral securities that are in the possession of an outside party. The College's policy for deposits requires any balance not covered by depository insurance to be collateralized by the financial institution with eligible pledged securities. Of the June 30, 2010 and 2009 bank balances of \$51,424,055 and \$12,380,909, \$1,723,568 and \$1,136,833 were covered by federal depository insurance, and the remaining \$49,700,487 and \$11,244,076 were covered by pledged securities held by the financial institution's trust department or agent in the name of the College.

Cuyahoga Community College
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Notes to the Basic Financial Statements
For The Years Ended June 30, 2010 and 2009

Investments As of June 30, 2010 and 2009, the College's investments were as follows:

	2010 Maturity			Total
	Six Months and Less	More Than Six Months But Less Than One Year	More Than One Year	
Treasury Notes	\$12,491,514	\$9,574,495	\$8,580,897	\$30,646,906
U.S. Agency Securities	6,937,264	1,790,280	2,020,620	10,748,164
Money Markets	3,719,180	0	0	3,719,180
Equity Mutual Funds	20,134,178	0	0	20,134,178
Taxable Bond Funds	14,812,889	0	0	14,812,889
Corporate Bonds	46,470,671	0	0	46,470,671
STAROhio	12,620,271	0	0	12,620,271
	\$117,185,967	\$11,364,775	\$10,601,517	\$139,152,259

	2009 Maturity			Total
	Six Months and Less	More Than Six Months But Less Than One Year	More Than One Year	
Treasury Notes	\$9,272,019	\$11,741,445	\$6,519,423	\$27,532,887
U.S. Agency Securities	26,225,592	35,745,507	8,823,635	70,794,734
Money Markets	10,349,563	0	0	10,349,563
Equity Mutual Funds	12,906,440	0	0	12,906,440
Taxable Bond Funds	8,357,301	0	0	8,357,301
Corporate Bonds	1,499,192	0	0	1,499,192
STAROhio	59,426,184	0	0	59,426,184
	\$128,036,291	\$47,486,952	\$15,343,058	\$190,866,301

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

Credit Risk It is College policy to invest in strict adherence to ORC section 3354.10 (B), whereby eligible funds may be invested according to the provisions of ORC section 3345.05 only in high quality investments rated at least Baa/BBB by a major rating agency. STAROhio and the money markets carry a rating of AAAM by Standard and Poor's for 2010 and 2009. The U.S. Agency Securities carry a rating of AAA by Standard and Poor's for 2010. As of June 30, 2010, two taxable bond funds with a carrying amount of

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For The Years Ended June 30, 2010 and 2009

\$11,487,708 carry a 5 star rating by Morningstar and a third bond fund with a carrying amount of \$3,325,181 carries a 3 star rating by Morningstar. Also, the College has multiple corporate bonds with a carrying value of \$46,470,671, each carrying a S&P rating of A-1. As of June 30, 2009, one taxable bond fund in the amount of \$7,031,790 carried a 4 star rating by Morningstar while the second bond fund in the amount of \$1,325,511 carried a 3 star rating. The equity mutual funds are not rated. Treasury notes are risk free.

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

<u>Investment</u>	<u>2010</u>	<u>2009</u>
Treasury Notes	22.02%	14.43%
U.S. Agency Securities	7.72%	37.09%
Money Markets	2.67%	5.42%
Equity Mutual Funds	14.47%	6.76%
Taxable Bond Funds	10.65%	4.38%
Corporate Bonds	33.40%	0.79%
STAROhio	9.07%	31.13%

Note 3 – Accounts Receivable and Other Assets

Accounts receivable consists of the following as of June 30:

	<u>2010</u>	<u>2009</u>
Tuition and fees receivable	\$31,089,472	\$24,057,449
Allowance for doubtful accounts	(6,999,910)	(5,995,304)
	<u>24,089,562</u>	<u>18,062,145</u>
Grants receivable	1,232,602	6,697,430
Interest receivable	116,554	224,741
Other receivables	<u>374,529</u>	<u>1,187,189</u>
Totals	<u><u>\$25,813,247</u></u>	<u><u>\$26,171,505</u></u>

All receivables are expected to be collected in full within one year except certain tuition and fees receivables. As such, the discounting for time value is immaterial. An allowance for doubtful accounts has been established based upon prior collection experience. The College has restricted receivables, primarily grant related, of \$3,383,585 and \$3,890,065 as of June 30, 2010 and 2009.

The College has \$3,324,063 and \$3,549,190 of other current assets as of June 30, 2010 and 2009. Of this amount, \$3,025,624 and \$3,033,777 represent prepaid payroll costs associated with the summer semester. The College has \$1,815,871 and \$1,481,658 of other noncurrent assets as of June 30, 2010 and 2009. Of this amount, \$1,482,489 and \$1,238,109 represent bond issuance costs.

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For The Years Ended June 30, 2010 and 2009

Note 4 – Capital Assets

Capital asset activity for the years ended June 30, 2010 and 2009 was as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2010</u>
Non-depreciable capital assets:				
Land	\$21,382,474	\$3,396	\$0	\$21,385,870
Construction in progress	59,778,317	(18,577,811)	0	41,200,506
<i>Total non-depreciable</i>	<u>81,160,791</u>	<u>(18,574,415)</u>	<u>0</u>	<u>62,586,376</u>
Depreciable capital assets:				
Buildings	193,697,309	23,754,582	0	217,451,891
Building improvements	105,923,930	29,104,640	0	135,028,570
Improvements other than buildings	37,882,035	2,252,928	0	40,134,963
Library books	966,302	145,363	182,376	929,289
Moveable equipment	84,468,561	18,385,870	15,275	102,839,156
<i>Total depreciable</i>	<u>422,938,137</u>	<u>73,643,383</u>	<u>197,651</u>	<u>496,383,869</u>
Less Accumulated Depreciation:				
Buildings	84,219,397	5,426,100	0	89,645,497
Building improvements	61,898,255	6,741,685	0	68,639,940
Improvements other than buildings	27,997,038	1,264,300	0	29,261,338
Library books	371,027	154,605	182,376	343,256
Moveable equipment	69,161,531	6,578,765	15,275	75,725,021
<i>Total accumulated depreciation</i>	<u>243,647,248</u>	<u>20,165,455</u>	<u>197,651</u>	<u>263,615,052</u>
<i>Total depreciable capital assets, net</i>	<u>179,290,889</u>	<u>53,477,928</u>	<u>0</u>	<u>232,768,817</u>
<i>Total capital assets, net</i>	<u>\$260,451,680</u>	<u>\$34,903,513</u>	<u>\$0</u>	<u>\$295,355,193</u>

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	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2009</u>
Non-depreciable capital assets:				
Land	\$16,674,321	\$4,708,153	\$0	\$21,382,474
Construction in progress	20,030,859	39,747,458	0	59,778,317
<i>Total non-depreciable</i>	<u>36,705,180</u>	<u>44,455,611</u>	<u>0</u>	<u>81,160,791</u>
Depreciable capital assets:				
Buildings	193,531,851	165,458	0	193,697,309
Building improvements	101,238,278	4,685,652	0	105,923,930
Improvements other than buildings	34,451,007	3,431,028	0	37,882,035
Library books	1,041,804	90,094	165,596	966,302
Moveable equipment	80,220,841	4,320,415	72,695	84,468,561
<i>Total depreciable</i>	<u>410,483,781</u>	<u>12,692,647</u>	<u>238,291</u>	<u>422,938,137</u>
Less Accumulated Depreciation:				
Buildings	79,694,990	4,524,407	0	84,219,397
Building improvements	57,090,325	4,807,930	0	61,898,255
Improvements other than buildings	26,762,595	1,234,443	0	27,997,038
Library books	370,570	166,053	165,596	371,027
Moveable equipment	64,072,133	5,162,093	72,695	69,161,531
<i>Total accumulated depreciation</i>	<u>227,990,613</u>	<u>15,894,926</u>	<u>238,291</u>	<u>243,647,248</u>
<i>Total depreciable capital assets, net</i>	<u>182,493,168</u>	<u>(3,202,279)</u>	<u>0</u>	<u>179,290,889</u>
<i>Total capital assets, net</i>	<u>\$219,198,348</u>	<u>\$41,253,332</u>	<u>\$0</u>	<u>\$260,451,680</u>

Construction in progress began fiscal year 2010 with 66 projects totaling \$59,778,317. During fiscal year 2010, the College had additional construction in progress expenditures of \$53,430,349 (including \$47,067,118 for the 66 projects) and \$72,008,160 of construction in progress placed in service.

Construction in progress began fiscal year 2009 with 29 projects totaling \$20,030,859. During fiscal year 2009, the College had additional construction in progress expenditures of \$50,286,447 (including \$33,638,655 for the 29 projects) and \$10,538,989 of construction in progress placed in service.

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Note 5 – Accounts Payable and Accrued Liabilities

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

	<u>2010</u>	<u>2009</u>
Accounts payable	\$13,937,064	\$7,704,693
Accrued interest payable	2,773,533	1,813,486
Payroll and fringe liabilities	<u>7,645,237</u>	<u>6,048,994</u>
Total	<u>\$24,355,834</u>	<u>\$15,567,173</u>

Liabilities payable from restricted assets, primarily grant related, of \$1,206,907 and \$1,634,764 as of June 30, 2010 and 2009 includes \$827,340 and \$1,399,037 of accounts payable and \$379,567 and \$235,727 of payroll and fringe liabilities for 2010 and 2009, respectively.

Note 6 – State Appropriations

The College is a State-assisted institution of higher education that receives a student-based subsidy from the State of Ohio. This subsidy is determined annually based upon a formula determined by the State of Ohio. Of the \$61,256,906 student-based subsidy received in fiscal year 2010 from the State of Ohio, \$8.8 million was American Recovery and Reinvestment Act (ARRA) stimulus monies provided through the State of Ohio's Fiscal Stabilization Fund. Of the student-based subsidy received in fiscal year 2009, no portion of this amount was ARRA monies.

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

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

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

Note 7 – Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in Cuyahoga County. Real property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after

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April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2008, were levied after April 1, 2009 and are collected in 2010 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.

Tangible personal property tax revenue received during calendar 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. In addition, the telephone companies switched from being a public utility to general business taxpayers in 2007 and will be phased out and eliminated from taxation in 2011. To ease the transition from the aforementioned phase-outs, the revenues from personal property tax are reimbursed through the commercial activity tax (CAT) levied on gross revenue of businesses collected in the State of Ohio beginning in 2006. The CAT tax is being phased in over five years and the College is being held harmless by the State through distributions of the tax for the first five year period. For the College, the reimbursement amount for the CAT tax is being phased out from 2011 through 2018. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the College prior to June 30.

The College receives property taxes from Cuyahoga County. The County Auditor 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, public utility property and tangible personal property taxes which are measurable as of June 30, 2010 and 2009 and for which there is an enforceable legal claim. The remaining portion of the receivable is offset by a credit to deferred revenue.

Note 8 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description – The College participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. While members in the state and local divisions may participate in all three plans, law

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enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. Effective January 1, 2007 and January 1, 2008, the contribution rate for members in the state and local classification was 9.5 percent and 10 percent, respectively. For the fiscal years ended June 30, 2009 and 2010, the contribution rate for members in the state and local classification remained 10 percent. For law enforcement members, their contribution rate was 10.10 percent for the fiscal years ending June 30, 2009 and 2008. Effective January 1, 2010, the contribution rate for law enforcement members increased to 11.10 percent.

Effective January 1, 2007 and January 1, 2008, the College's contribution rate for members in state and local classifications was 13.85 percent and 14.0 percent respectively. The College's contribution rate for members in state and local classifications for the fiscal years ended June 30, 2009 and 2010 remained 14.0 percent. Effective January 1, 2007, January 1, 2008 and January 1, 2009, the College's contribution rate for law enforcement members was 17.17 percent, 17.40 percent and 17.63 percent, respectively. Effective January 1, 2010, the College's contribution rate for law enforcement members increased to 17.87 percent. State statute sets a maximum contribution rate for the College of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The College's required contributions for pension obligations for the fiscal years ended June 30, 2010, 2009, and 2008 were \$8,579,408, \$7,673,306, and \$7,345,400 respectively; 80 percent has been contributed for fiscal year 2010, 100 percent has been contributed for fiscal year 2009 and fiscal year 2008. As of June 30, 2009, 80 percent had been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the Member-Directed and Combined plans for fiscal year 2010 were \$549,239 made by the College and \$392,315 made by the plan members. Contributions to the Member-Directed and Combined plans for fiscal year 2009 were \$400,979 made by the College and \$286,413 made by the plan members.

B. State Teachers Retirement System

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan

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offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For the fiscal years ended June 30, 2010, June 30, 2009 and June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The College was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations for each of the fiscal years. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The College's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 were \$7,317,183, \$6,514,097, and \$6,300,700 respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008. As of June 30, 2009, 95.36 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2010 were \$476,554 made by the College and \$340,396 made by the plan members. Contributions to the DC and Combined Plans for fiscal year 2009 were \$431,662 made by the College and \$308,330 made by the plan members.

C. Alternative Retirement Plan

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

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the fiscal years ended June 30, 2010, 2009 and 2008, contributions equal to those required by STRS and OPERS are required to be made to the ARP; however, a portion (which may be revised pursuant to periodic actuarial studies) of the employer contribution must be contributed to STRS or OPERS to enhance the stability of those plans.

The College's required contributions for pension obligations to the plan for the fiscal years ended June 30, 2010, 2009, and 2008 were \$798,210, \$837,300, and \$781,000 respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

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Note 9 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

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

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. Effective January 1, 2007 and January 1, 2008, the College's contribution rate for members in state and local classifications was 13.85 percent and 14.0 percent respectively. The College's contribution rate for members in state and local classifications for the fiscal years ended June 30, 2009 and 2010 remained 14.0 percent. Effective January 1, 2007, January 1, 2008 and January 1, 2009, the College's contribution rate for law enforcement members was 17.17 percent, 17.40 percent and 17.63 percent, respectively. Effective January 1, 2010, the College's contribution rate for law enforcement members increased to 17.87 percent. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 6.00 percent of covered payroll from July 1 through December 31, 2007 and 7.00 percent of covered payroll from January 1, 2008 until March 31, 2009. The rate changed to 5.5 percent of covered payroll beginning April 1, 2009.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The College's contributions allocated to fund post-employment health care benefits for the fiscal years ended June 30, 2010, 2009, and 2008 were \$3,338,499, \$3,926,487 and \$3,400,794 respectively; 80 percent has been contributed for fiscal year 2010 and 100 percent has been contributed for fiscal years 2009 and 2008. As of June 30, 2009, 95 percent had been contributed for fiscal year 2009 and 100 percent had been contributed for fiscal years 2008 and 2007.

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On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. State Teachers Retirement System

The College provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the systems based on authority granted by State statute. STRS is funded on a pay-as-you-go basis.

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care cost will be absorbed by STRS Ohio. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal years ended June 30, 2010, 2009 and 2008, respectively, the STRS Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The College's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$516,212, \$478,553, and \$470,341 respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008. As of June 30, 2009, 95.36 percent had been contributed for fiscal year 2009 and 100 percent had been contributed for fiscal years 2008 and 2007.

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.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2009 (the latest information available), the balance in the Fund was \$2.7 billion. For the year ended June 30, 2009, net health care costs paid by STRS were \$298,110,000 and STRS had 129,659 eligible benefit recipients.

Note 10 – Risk Management

A. Property and Liability

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of property; errors and omissions; injuries to third parties; automobile damage; commercial crime; and athletic injuries. As a risk transfer technique, the College contracted with various insurance underwriters in fiscal years 2009 and 2010 for specific types of insurance. Insurance policies in place during fiscal year 2010 include the following:

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

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

B. Self Insurance

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

On September 1, 2008, the College was approved for self-insured status by the Bureau of Workers' Compensation and began to administer its own workers' compensation program. Liabilities are reported when an employee injury has occurred, it is probable that a claim will be filed under the program, and the amount of the claim can be reasonably estimated. The College utilizes the services of a third party administrator to review, process, and pay employee claims. The College also maintains excess insurance coverage that will pay a portion of claims that exceed \$400,000 per occurrence for all employees.

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

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

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	<u>Healthcare</u>			<u>Worker's Compensation</u>		
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Liability at the beginning of year	\$1,046,092	\$956,571	\$696,161	\$1,074,954	\$774,841	\$728,565
Current year claims, net of changes in estimates	7,283,040	6,530,523	5,960,027	(22,751)	827,988	424,707
Claim payments	<u>(7,394,607)</u>	<u>(6,441,002)</u>	<u>(5,699,617)</u>	<u>(249,819)</u>	<u>(527,875)</u>	<u>(378,431)</u>
Liability at end of year	<u><u>\$934,525</u></u>	<u><u>\$1,046,092</u></u>	<u><u>\$956,571</u></u>	<u><u>\$802,384</u></u>	<u><u>\$1,074,954</u></u>	<u><u>\$774,841</u></u>
	<u>Disability</u>			<u>Retiree Death</u>		
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Liability at the beginning of year	\$2,020,000	\$2,447,000	\$2,097,000	\$941,000	\$950,119	\$918,619
Current year claims, net of changes in estimates	(170,555)	(116,947)	566,936	(6,000)	6,881	59,000
Claim payments	<u>(251,445)</u>	<u>(310,053)</u>	<u>(216,936)</u>	<u>(20,000)</u>	<u>(16,000)</u>	<u>(27,500)</u>
Liability at end of year	<u><u>\$1,598,000</u></u>	<u><u>\$2,020,000</u></u>	<u><u>\$2,447,000</u></u>	<u><u>\$915,000</u></u>	<u><u>\$941,000</u></u>	<u><u>\$950,119</u></u>

Self-insured liabilities amounted to \$4,249,909 and \$5,082,046 at June 30, 2010 and 2009, respectively. Other miscellaneous liabilities amounted to \$201,778 and \$273,998, as June 30, 2010 and 2009, respectively.

Note 11 – Lease Commitments

Capital Leases – The College has entered into leases for building improvements and equipment. The College's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", and have been recorded on the statements. The original amounts capitalized for the items acquired by capital leases and the book values as of June 30, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Assets:		
Building Improvements	\$26,553,530	\$12,000,000
Equipment - Servers	2,942,967	2,942,967
Equipment - General	16,070,695	2,302,549
Construction In Progress	<u>989,192</u>	<u>22,540,709</u>
Subtotal of Assets	46,556,384	39,786,225
Less: Accumulated depreciation	<u>(13,396,632)</u>	<u>(9,445,962)</u>
Current Book Value	<u><u>\$33,159,752</u></u>	<u><u>\$30,340,263</u></u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2010 and 2009 are as follows:

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	2010	2009
2010		\$7,605,656
2011	\$7,871,107	6,932,288
2012	7,532,366	6,593,548
2013	4,936,546	3,997,729
2014	2,338,192	1,461,521
2015	1,696,754	1,370,724
2016 - 2020	4,112,171	4,112,171
Total Minimum Lease Payments	28,487,136	32,073,637
Less: Amount representing interest	(2,762,868)	(3,515,692)
Present Value of Minimum Lease Payments	\$25,724,268	\$28,557,945

During the year ended June 30, 2010, the College entered into four capital leases to finance the purchase of various computer and telecommunication equipment. Such property is capitalized at the present value of the minimum lease payments. The original capitalized cost of all such property under lease purchase agreements amounted to \$3,739,292.

During the year ended June 30, 2009, the College entered into four capital leases to finance the purchase of various computer and telecommunication equipment. Such property is capitalized at the present value of the minimum lease payments. The original capitalized cost of all such property under lease purchase agreements amounted to \$4,154,361.

As of June 30, 2010 and 2009 the College made lease payments for capital leased property of \$7,667,729 and \$8,038,978 respectively.

Operating Leases – The College leases office space under non-cancelable operating leases. Future minimum rental payments under these operating leases with remaining terms in excess of one year as of June 30, 2010 and 2009 are as follows:

	2010	2009
2009		\$621,380
2010	\$947,386	587,765
2011	643,762	261,277
2012	473,103	65,270
2013	377,310	0
Total	\$2,441,561	\$1,535,692

The College's annual rent expense under current leases was \$637,318 for the year ended June 30, 2010 and \$526,765 for the year ended June 30, 2009.

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

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effect for the third renewal term. Total rental revenue under this lease was \$393,473 and \$385,056 in fiscal years 2010 and 2009, 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 \$24,521 and \$23,807 in fiscal years 2010 and 2009, respectively.

On December 21, 2007, the College entered into a lease agreement to lease certain space within each campus to a credit union. The lease is an operating lease which commenced on January 1, 2008. The lease is for a period of three years and automatically expires on December 31, 2010. Rent revenue for this lease was \$7,038 and \$6,738 in fiscal years 2010 and 2009, respectively.

Note 12 – Tax Anticipation Notes Payable

A summary of the note transactions for the years ended June 30, 2009 follows:

	Balance June 30, 2008	Issued	Retired	Balance June 30, 2009
Tax Anticipation Notes, Series 2008	\$20,875,000	\$0	\$20,875,000	\$0
Premium on Note	57,655	0	(57,655)	0
Total Series 2008	<u>20,932,655</u>	<u>0</u>	<u>(20,932,655)</u>	<u>0</u>
Tax Anticipation Notes, Series 2008B	0	30,000,000	30,000,000	0
Premium on Note	0	200,700	(200,700)	0
Total Series 2008B	<u>0</u>	<u>30,200,700</u>	<u>(30,200,700)</u>	<u>0</u>
Total Notes Payable	<u>\$20,932,655</u>	<u>\$30,200,700</u>	<u>\$51,133,355</u>	<u>\$0</u>

On April 8, 2008, Cuyahoga Community College issued \$20,875,000 of tax anticipation notes at a premium of \$85,796 and an interest rate of 2.35 percent that matured in December 2008. A portion of the tax anticipation note was used to complete a current refunding of \$16,255,000 of Series B general obligation bonds. There were no restrictions on the use of the remaining portion.

On December 17, 2008, Cuyahoga Community College issued \$30,000,000 of tax anticipation notes, Series B at a premium of \$200,700 and an interest rate of 2.5 percent that matured July 1, 2009. The proceeds of the tax anticipation note were used to retire the tax anticipation note due in December 2008, fund certain capital projects and to pay costs of issuance.

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In June 2009, the tax anticipation notes, Series B were retired with a portion of the proceeds from the issuance of the General Receipts Bonds, Series C. The notes were backed by the full faith and credit of Cuyahoga Community College.

The College did not issue any tax anticipation notes in fiscal year 2010 and has no outstanding notes as of June 30, 2010.

Note 13 – Long-Term Obligations

Changes in long-term obligations of the College during fiscal years 2010 and 2009 were as follows:

	Principal Outstanding June 30, 2009	Additions	Deductions	Principal Outstanding June 30, 2010	Amount Due in One Year
General Obligation Bonds					
Series A Fixed Rate Bonds 1.60% to 5.00%	\$25,870,000	\$0	(\$635,000)	\$25,235,000	\$655,000
Premium on Bonds	691,398	0	(29,844)	661,554	0
Total Series A Fixed Rate Bonds	26,561,398	0	(664,844)	25,896,554	655,000
Series C Fixed Rate Bonds 2.00% to 5.25%	121,090,000	0	(4,880,000)	116,210,000	4,045,000
Premium on Bonds	1,909,953	0	(97,530)	1,812,423	0
Total Series C Fixed Rate Bonds	122,999,953	0	(4,977,530)	118,022,423	4,045,000
<i>Total General Receipt Bonds</i>	149,561,351	0	(5,642,374)	143,918,977	4,700,000
Certificates of Participation					
Series 2009 Certificates 3.00% to 4.70%	0	10,575,000	(600,000)	9,975,000	565,000
Discount on Certificates	0	(20,444)	1,317	(19,127)	0
<i>Total Certificates of Participation</i>	0	10,554,556	(598,683)	9,955,873	565,000
Other Long-Term Obligations					
Capital Leases	28,557,945	3,739,292	(6,572,969)	25,724,268	6,928,109
Compensated Absences	7,774,018	1,240,592	(871,869)	8,142,741	1,020,317
Claims and Other Liabilities	5,356,044	7,085,843	(7,990,200)	4,451,687	1,609,282
<i>Total Other Long-Term Obligations</i>	41,688,007	12,065,727	(15,435,038)	38,318,696	9,557,708
<i>Total Long-Term Liabilities</i>	\$191,249,358	\$22,620,283	(\$21,676,095)	\$192,193,546	\$14,822,708

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	Principal Outstanding June 30, 2008	Additions	Deductions	Principal Outstanding June 30, 2009	Amount Due in One Year
General Receipt Bonds					
Series A Fixed Rate Bonds 1.60% to 5.00%	\$26,490,000	\$0	(\$620,000)	\$25,870,000	\$635,000
Premium on Bonds	721,243	0	(29,845)	691,398	0
Total Series A Fixed Rate Bonds	27,211,243	0	(649,845)	26,561,398	635,000
Series C Fixed Rate Bonds 2.00% to 5.25%	0	121,090,000	0	121,090,000	4,880,000
Premium on Bonds	0	1,934,335	(24,382)	1,909,953	0
Total Series C Fixed Rate Bonds	0	123,024,335	(24,382)	122,999,953	4,880,000
<i>Total General Receipt Bonds</i>	<u>27,211,243</u>	<u>123,024,335</u>	<u>(674,227)</u>	<u>149,561,351</u>	<u>5,515,000</u>
Other Long-Term Obligations					
Capital Leases	31,306,018	4,154,361	(6,902,434)	28,557,945	6,520,896
Compensated Absences	7,217,418	1,295,657	(739,057)	7,774,018	981,028
Claims and Other Liabilities	5,411,337	7,270,578	(7,325,871)	5,356,044	1,825,352
<i>Total Other Long-Term Obligations</i>	<u>43,934,773</u>	<u>12,720,596</u>	<u>(14,967,362)</u>	<u>41,688,007</u>	<u>9,327,276</u>
<i>Total Long-Term Liabilities</i>	<u>\$71,146,016</u>	<u>\$135,744,931</u>	<u>(\$15,641,589)</u>	<u>\$191,249,358</u>	<u>\$14,842,276</u>

In September 2002, the College issued \$29,105,000 Cuyahoga Community College District, Ohio General Receipts Bonds, Series A. The proceeds were used to fund the Corporate College project. The Series A Bonds consist of \$6,275,000 of serial bonds maturing each June 1 and December 1, beginning June 1, 2004 and ending December 1, 2013. Interest on each series varies and ranges from 1.6 percent to 3.55 percent. The \$22,830,000 of term bonds, with interest rates ranging from 4.6 percent to 5 percent, mature as follows: \$1,525,000 on December 1, 2015; \$6,715,000 on December 1, 2022; \$1,765,000 on June 1, 2024; and \$12,825,000 on December 1, 2032.

In June 2009, the College issued \$121,090,000 of Cuyahoga Community College District, Ohio General Receipts Bonds, Series C. The proceeds of the issuance will be used to finance various capital improvements, to retire the College's Series B Tax Anticipation Notes and to pay costs of issuance. The Series C Bonds consist of \$50,290,000 of serial bonds maturing each August 1 and February 1, beginning August 1, 2009 and ending February 1, 2019. Interest on each series varies and ranges from 2.0 percent to 5.00 percent. The \$70,800,000 of term bonds, with interest rates ranging from 4.25 percent to 5.25 percent, mature as follows: \$6,080,000 on August 1, 2020, \$6,180,000 on August 1, 2021, \$6,610,000 on August 1, 2022, \$6,940,000 on August 1, 2023, \$7,295,000 on August 1, 2024, \$7,660,000 on August 1, 2025, \$8,055,000 on August 1, 2026, \$8,465,000 on August 1, 2027 and \$13,515,000 on February 1, 2029. As of June 30, 2010 and June 30, 2009, the College has \$69,992,266 and \$76,022,595 of unspent bond and debt proceeds, respectively.

General receipts pledged to the security and payment of the bonds include all the receipts of the College, except moneys raised by taxation (state and local) and State appropriations. Grants, gifts, donations, pledges and receipts therefrom, which under restrictions imposed in the grant, promise or as a condition of the receipt are not considered general receipts that are pledged. The College's debt service margin was \$56.0 million and \$56.7 million at June 30, 2010 and 2009, respectively.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$4,700,000	\$6,654,351	\$11,354,351
2012	4,885,000	6,479,270	11,364,270
2013	5,050,000	6,311,160	11,361,160
2014	5,205,000	6,147,730	11,352,730
2015	5,415,000	5,943,715	11,358,715
2016-2020	31,070,000	25,699,444	56,769,444
2021-2025	39,630,000	17,161,128	56,791,128
2026-2030	41,145,000	6,162,813	47,307,813
2031-2033	4,345,000	331,500	4,676,500
 Total	 <u>\$141,445,000</u>	 <u>\$80,891,111</u>	 <u>\$222,336,111</u>

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

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Principal and interest requirements to retire the certificates of participation follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$565,000	\$389,365	\$954,365
2012	580,000	372,415	952,415
2013	600,000	355,015	955,015
2014	620,000	337,015	957,015
2015	640,000	316,865	956,865
2016-2020	3,555,000	1,216,663	4,771,663
2021-2024	<u>3,415,000</u>	<u>401,290</u>	<u>3,816,290</u>
Total	<u>\$9,975,000</u>	<u>\$3,388,628</u>	<u>\$13,363,628</u>

Note 14 - Other Employee Benefits

A. *Compensated Absences*

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

Vacation - Full-time non-bargaining employees, administrators and professionals are granted 20 days of vacation on July 1st of each fiscal year. All other full-time, non-bargaining employees earn vacation based upon length of service, up to 20 days annually. All other full-time employees accrue vacation based on years of service that is granted based on their respective collective bargaining agreements. Teachers are not eligible for vacation days. Unused vacation time up to 45 days can be carried into the new fiscal year. Accumulated unused vacation is paid in full to employees upon termination of employment or retirement. All part time 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. Teachers are granted 15 sick days at the beginning of each academic year. Sick time may be accumulated up to 180 days and carried into the new fiscal year. All employees with 10 years of service will be paid for unused sick time, at one fourth of the accumulated amount, up to 45 days at retirement. Administrators, professionals, and full-time College employees in Service Employees International Union No. 1199 bargaining members can be paid for unused sick time, at one fourth of the accumulated amount, up to 30 days upon separation of employment.

B. *Healthcare Benefits*

The College has elected to provide a comprehensive medical benefits package to full time employees through either a self insured plan (see Note 10) or fully-insured programs. This package provides a choice of comprehensive medical plans, prescription and dental plans, and is administered by Mercer Health and Benefits, LLC located in Cleveland, Ohio. The College also provides life insurance for its employees.

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C. Retiree Death Benefits

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

Plan Description

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

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

	2010	2009	2008
Annual OPEB Expenses	\$20,000	\$55,000	\$55,000
Plan Assets	\$0	\$0	\$0
Present Value OPEB Obligations	\$915,000	\$941,000	\$888,000
Increase/(Decrease)	(\$26,000)	\$53,000	\$35,000

The 2010 actuarial evaluation for the current retiree population is based on the following facts and assumptions:

- A. Current retiree population is 785 with a total death benefit of \$1,688,500.
- B. Mortality: 1994 GAR table.
- C. Interest Rate of 5.5 percent.
- D. The actuary used the aggregate cost method.

There are no employee contributions made into this plan and the College is funding the plan with a pay as you go methodology. There are no assets specifically reserved for the funding of this benefit but an accrued liability has been established for the Retiree Present Value currently as identified in Note 10B.

Note 15 - Contingencies

A. 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, 2010.

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B. 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.

C. Pollution Remediation

In accordance with GASB Statement No. 49, “*Accounting and Financial Reporting for Pollution Remediation Obligations*,” the College is required to recognize and disclose estimated costs for cleanup of pollution that the College may have an obligation to remediate. Pursuant to this accounting pronouncement, the College has recorded liabilities as of June 30, 2010 totaling \$376,030 primarily for the asbestos removal from several renovation projects that are currently in progress. The pollution remediation liability is estimated by reviewing the current status of known polluted sites and developing estimates of cleanup costs. These estimates are subject to change due to improvements in technology, inflation, changes in the scope of work and the pursuit of reimbursement from other responsible parties.

Note 16 - Contractual Commitments

As of June 30, 2010 and 2009, the College has \$23,545,569 and \$11,276,953 in various contractual purchase commitments outstanding, respectively.

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Note 17 - Discretely Presented Component Unit

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 (expendable)—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 (nonexpendable)—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.

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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 mutual 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. Interest and dividend income, as well as realized and unrealized gains and losses, is allocated proportionally each month.

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

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

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

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

The following table sets 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, 2010 and 2009. The financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels. The table does not include cash on hand or other assets and liabilities that are measured at historical cost or any basis other than fair value.

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	2010			2009
	Level 1	Level 2	Total	Level 1
Common Stock	\$0	\$0	\$0	\$4,912,278
U.S. Government Bonds	0	0	0	1,131,865
Foreign Bonds	0	0	0	46,857
Corporate Bonds	0	0	0	705,383
Mutual Funds	11,171,733	0	11,171,733	5,935,664
Common Trust Funds	0	5,747,084	5,747,084	0
Totals	<u>\$11,171,733</u>	<u>\$5,747,084</u>	<u>\$16,918,817</u>	<u>\$12,732,047</u>

For fiscal year 2010, the fair values of investments in common trust funds are valued based on their reported Net Asset Value (NAV). The NAV of these funds are based on the value of their underlying investments, adjusted for charges and expenses, and are classified as Level 2 of the fair value hierarchy. The Foundation did not have any Level 3 financial assets during fiscal year 2010. The Foundation did not have any Level 2 or 3 financial assets during fiscal year 2009.

Receivables—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. 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 and Special Events—Contributions, 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 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 Luncheon (temporarily restricted) and through parking receipts generated from special events (unrestricted).

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

Subsequent Events—The Foundation has evaluated subsequent events through October 15, 2010, which is the date the financial statements were issued.

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Reclassification— Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. During 2010, the Foundation conducted a study of its donor restricted documents and concluded that certain gifts previously accounted for as temporarily restricted are actually permanently restricted. As a result, \$570,148 of net assets at June 30, 2008 has been reclassified from temporarily restricted to permanently restricted. This reclassification did not impact net asset totals. In 2009, unfavorable market fluctuations caused the investment of these permanently restricted gifts to fall into a deficit situation. As a result, \$43,162 of unrestricted net assets was reclassified to temporarily restricted to restore these gifts to their original donor-restricted levels. Favorable market fluctuations in 2010 have completely restored this deficit.

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, 2010 and 2009 consist of the following:

Description	2010	2009
Common Stock	\$0	\$4,912,278
U.S. Government Bonds	0	1,131,865
Foreign Bonds	0	46,857
Corporate Bonds	0	705,383
Mutual Funds	11,171,733	5,935,664
Common Trust Funds	5,747,084	0
Total	<u>\$16,918,817</u>	<u>\$12,732,047</u>

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

3. CONTRIBUTION RECEIVABLES

Contributions receivable (pledges) are accounted for in accordance with GAAP. The recorded value of contributions receivable is the present value of estimated future cash receipts using a discount rate of 4.75 percent for fiscal years 2010 and 2009. Management has determined that any allowance for uncollectible promises to give would be immaterial. Amounts due are as follows:

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	2010	2009
Less than one year	\$1,563,641	\$1,414,723
One to five years	649,279	916,746
Five to ten years	54,000	0
Totals	2,266,920	2,331,469
Unamortized discount	(57,149)	(43,545)
Total	\$2,209,771	\$2,287,924

4. RELATED PARTY TRANSACTIONS

The College made contributions to the Foundation during the years ended June 30, 2010 and 2009 of \$232,445 and \$278,449 primarily from parking receipts generated from special events. The amounts owed to the Foundation as of June 30, 2010 and 2009 are \$68,345 and \$83,560 and are included with accounts receivables on the statements of net assets.

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 \$319,424 and \$318,309 of contributed services as contribution revenue and as administrative and general, and fundraising expenses in 2010 and 2009.

The Foundation received, on behalf of the College, grants for educational development programs from various donors of \$1,755,613 and \$1,395,851 in 2010 and 2009, respectively. These grants are classified as temporarily restricted until the College meets certain conditions. The undistributed balances as of June 30, 2010 and 2009 are \$374,180 and \$689,366 and are included with accounts payables and accrued liabilities on the statements of revenues, expenses, and changes in net assets.

All program service expenses were for the benefit of the College.

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:

	2010	2009
Scholarships	\$949,825	\$1,514,132
Educational Development	1,772,961	1,820,206
Special Events	122,893	90,190
Other	54,652	33,894
Total	\$2,900,331	\$3,458,422

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

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	<u>2010</u>	<u>2009</u>
Scholarships	\$18,175,373	\$15,481,910
Educational Development	1,991,960	1,722,213
Special Events	631,481	326,797
Underwater Endowment Coverage	0	43,162
Total	<u>\$20,798,814</u>	<u>\$17,574,082</u>

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

	<u>2010</u>	<u>2009</u>
Scholarships	\$1,541,799	\$1,537,799
Educational Development	500,000	500,000
Total	<u>\$2,041,799</u>	<u>\$2,037,799</u>

On November 17, 2008, the Ohio House of Representatives adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The law was signed on January 6, 2009, and it became effective June 1, 2009. During 2008, the Financial Accounting Standards Board provided guidance on the net asset classification of donor-restricted endowment funds, which required enhanced disclosure for 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 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.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For The Years Ended June 30, 2010 and 2009

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 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 Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2010.

Cuyahoga Community College
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For The Years Ended June 30, 2010 and 2009

The Foundation's endowment fund activity was as follows for the year ended June 30, 2010:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$15,481,910	\$2,037,799	\$17,519,709
Investment return:			
Investment income	304,388	0	304,388
Net depreciation (realized and unrealized)	<u>1,547,888</u>	<u>0</u>	<u>1,547,888</u>
Total investment return	1,852,276	0	1,852,276
Cash contributions and transfers	1,515,656	4,000	1,519,656
Appropriation of endowment assets for expenditure	<u>(674,469)</u>	<u>0</u>	<u>(674,469)</u>
Endowment net assets, end of year	<u>\$18,175,373</u>	<u>\$2,041,799</u>	<u>\$20,217,172</u>

The Foundation's endowment fund activity was as follows for the year ended June 30, 2009:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$18,454,558	\$2,031,739	\$20,486,297
Investment return:			
Investment income	399,945	0	399,945
Net depreciation (realized and unrealized)	<u>(4,381,387)</u>	<u>0</u>	<u>(4,381,387)</u>
Total investment return	(3,981,442)	0	(3,981,442)
Cash contributions and transfers	2,502,524	6,060	2,508,584
Appropriation of endowment assets for expenditure	<u>(1,493,730)</u>	<u>0</u>	<u>(1,493,730)</u>
Endowment net assets, end of year	<u>\$15,481,910</u>	<u>\$2,037,799</u>	<u>\$17,519,709</u>

Temporarily restricted endowment funds include net assets that are restricted for scholarships and being held until such funds are appropriated by the Foundation Board.



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

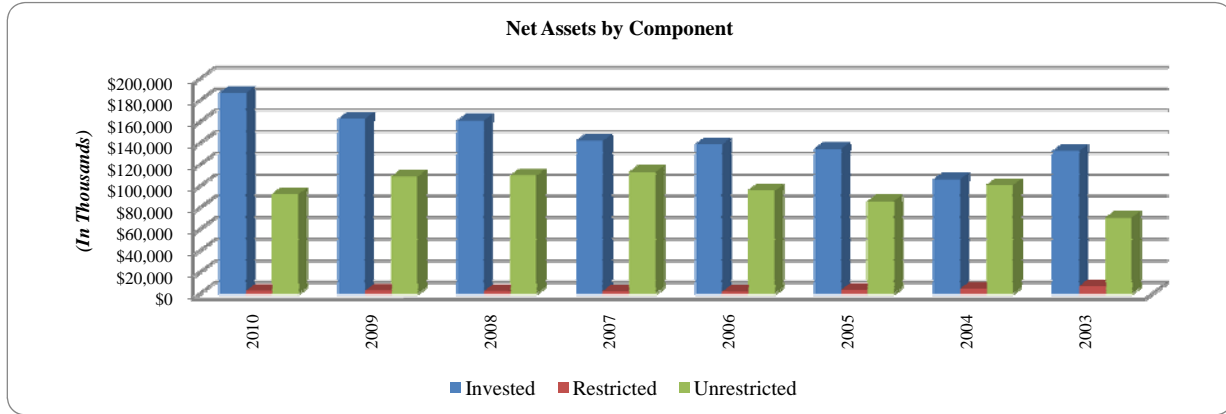
These schedules contain service and capital asset data to help the reader understand how the information in the College's financial report relates to the services the government provides and the activities it performs.

Statistical Section

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

	2010	2009	2008	2007	2006	2005	2004	2003
Invested in Capital Assets								
Net of Related Debt	\$186,530	\$162,435	\$160,745	\$142,011	\$138,709	\$134,521	\$106,332	\$132,483
Restricted - Expendable	2,528	2,598	2,315	2,123	1,634	3,465	4,529	6,977
Unrestricted	92,340	108,742	109,729	113,117	95,800	85,665	100,782	70,488
Total Net Assets	<u>\$281,398</u>	<u>\$273,775</u>	<u>\$272,789</u>	<u>\$257,251</u>	<u>\$236,143</u>	<u>\$223,651</u>	<u>\$211,643</u>	<u>\$209,948</u>



Source: College Financial Audit Reports for years presented.

Note: For comparability purposes, only the fiscal years that have been reported by GASB 34/35 criteria are displayed. Additional information will be presented as it becomes available.

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Instruction and Department Research	\$72,984	\$67,470	\$63,172	\$62,211	\$58,209	\$58,650	\$55,359	\$51,098
Public Service	21,740	19,999	17,481	18,117	18,178	17,738	16,973	17,226
Academic Support	22,325	21,694	20,242	20,746	19,444	17,820	19,096	17,178
Student Services	21,180	19,950	18,682	18,280	18,097	17,191	17,062	15,983
Institutional Support	37,130	37,759	34,757	32,008	32,136	29,700	32,068	31,977
Operation and Maintenance of Plant	27,977	28,207	23,300	22,377	20,833	17,468	17,954	14,823
Student Aid	62,728	48,703	38,620	34,016	33,689	33,389	31,199	0
Scholarships and Fellowships	0	0	0	0	0	0	0	25,348
Depreciation	20,165	15,895	17,382	16,916	16,589	16,112	15,276	11,416
Auxiliary Enterprises	14,512	12,966	11,093	10,378	10,221	9,597	9,493	9,055
Total Operating Expenses	<u>300,741</u>	<u>272,643</u>	<u>244,729</u>	<u>235,049</u>	<u>227,396</u>	<u>217,665</u>	<u>214,480</u>	<u>194,104</u>
Interest on Capital Debt	3,375	3,028	2,699	2,502	2,476	1,981	1,969	1,682
Other	197	27	105	24	19	53	131	302
Total Nonoperating Expenses	<u>3,572</u>	<u>3,055</u>	<u>2,804</u>	<u>2,526</u>	<u>2,495</u>	<u>2,034</u>	<u>2,100</u>	<u>1,984</u>
Total Expenses	<u>\$304,313</u>	<u>\$275,698</u>	<u>\$247,533</u>	<u>\$237,575</u>	<u>\$229,891</u>	<u>\$219,699</u>	<u>\$216,580</u>	<u>\$196,088</u>

Source: College Financial Audit Reports for years presented.

Note: For comparability purposes, only the fiscal years that have been reported by GASB 34/35 criteria are displayed. Additional information will be presented as it becomes available.

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

	<u>2010</u>	<u>2009</u>	<u>2008⁽¹⁾</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Student Tuition and Fees	\$40,906	\$36,859	\$34,518	\$33,713	\$33,565	\$31,614	\$33,858	\$32,225
Federal Grants and Contracts	36,200	25,049	20,585	44,696	45,044	43,879	36,275	31,627
State Grants and Contracts	680	875	504	7,862	6,639	7,301	5,632	5,819
Local Grants and Contracts	1	48	31	131	13	5	464	47
Private Grants and Contracts	3,067	3,871	3,134	2,695	907	2,072	2,102	6,379
Sales and Services	6,117	5,989	5,631	6,776	6,469	5,309	5,710	5,813
Auxiliary Enterprises	15,551	13,349	11,250	10,572	10,456	10,288	10,214	9,921
Other Operating Revenues	1,716	1,990	1,950	1,315	957	706	533	343
Total Operating Revenues	<u>104,238</u>	<u>88,030</u>	<u>77,603</u>	<u>107,760</u>	<u>104,050</u>	<u>101,174</u>	<u>94,788</u>	<u>92,174</u>
State Appropriations	61,257	63,465	61,611	59,175	57,312	52,974	46,674	45,129
Property Taxes	81,327	81,012	81,888	80,402	73,389	72,797	74,192	63,162
Federal Grants and Contracts	48,740	32,394	26,834					
State Grants and Contracts	(172)	8,706	7,123					
Unrestricted Investment Income	2,547	(1,711)	4,367	6,016	3,549	1,480	313	1,232
Restricted Investment Income	386	195	287	27	12	285	250	431
Total Nonoperating Revenues	<u>194,085</u>	<u>184,061</u>	<u>182,110</u>	<u>145,620</u>	<u>134,262</u>	<u>127,536</u>	<u>121,429</u>	<u>109,954</u>
Total Revenues	<u>\$298,323</u>	<u>\$272,091</u>	<u>\$259,713</u>	<u>\$253,380</u>	<u>\$238,312</u>	<u>\$228,710</u>	<u>\$216,217</u>	<u>\$202,128</u>

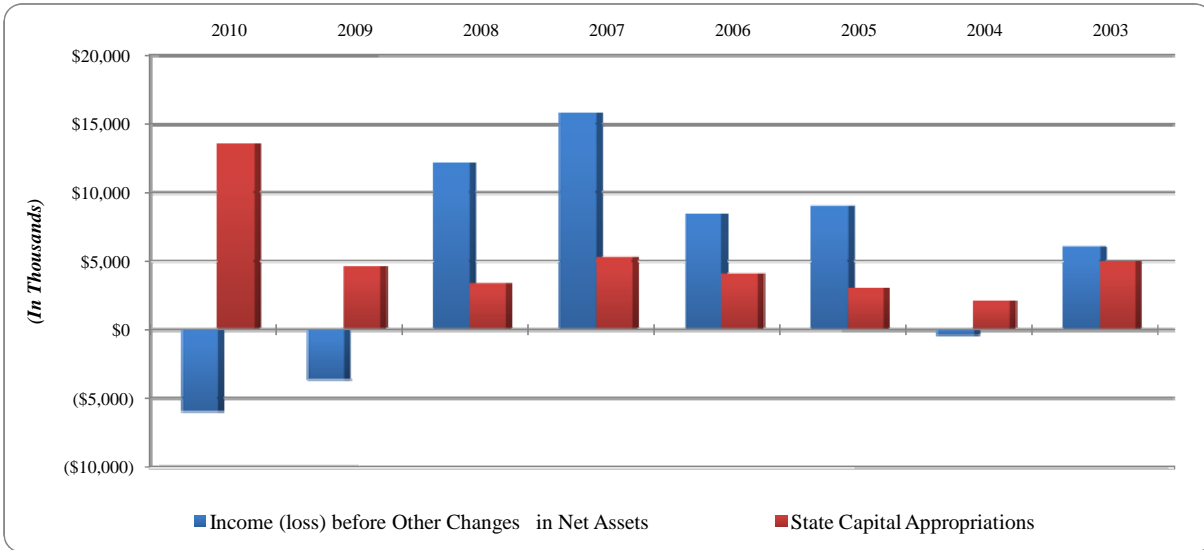
Source: College Financial Audit Reports for years presented.

Note: For comparability purposes, only the fiscal years that have been reported by GASB 34/35 criteria are displayed. Additional information will be presented as it becomes available.

⁽¹⁾ In 2009, the College reclassified certain federal and state grants to nonoperating based upon updated guidance from GASB.

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

	2010	2009	2008	2007	2006	2005	2004	2003
Income (loss) before Other Changes in Net Assets	(\$5,990)	(\$3,606)	\$12,180	\$15,805	\$8,421	\$9,011	(\$363)	\$6,040
State Capital Appropriations	13,613	4,592	3,358	5,304	4,070	2,997	2,059	4,957
Total Change in Net Assets	\$7,623	\$986	\$15,538	\$21,109	\$12,491	\$12,008	\$1,696	\$10,997



Source: College Financial Audit Reports for years presented.

Note: For comparability purposes, only the fiscal years that have been reported by GASB 34/35 criteria are displayed. Additional information will be presented as it becomes available.

Cuyahoga Community College
Assessed and Estimated Actual Value of Taxable Property
Last Five Years ⁽¹⁾ (Dollars in Thousands)

Collection Year	Real Property			Estimated Actual Value	Tangible Personal Property	
	Assessed Value				General Business	
	Residential/ Agricultural	Commercial/ Industrial	Total		Assessed Value	Estimated Actual Value
2010	\$20,379,863	\$8,559,342	\$28,939,205	\$82,683,443	\$0	\$0
2009	22,070,872	8,427,518	30,498,390	87,138,257	766,539	12,264,624
2008	21,973,357	8,441,851	30,415,208	86,900,594	1,456,445	11,651,560
2007	21,868,198	8,524,013	30,392,211	86,834,889	1,923,151	10,256,805
2006	19,556,454	7,841,892	27,398,346	78,280,989	2,390,326	9,561,304

Source: Office of the County Auditor, Cuyahoga County, Ohio.

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value.

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

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

⁽¹⁾ Information prior to 2006 was not available.

Tangible Personal Property		Total		
Public Utility				
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$654,490	\$743,739	\$29,593,695	\$83,427,181	\$2.59718
615,400	699,318	31,880,329	100,102,199	2.45452
588,833	669,128	32,460,486	99,221,283	2.45452
842,683	957,594	33,158,045	98,049,288	2.47204
857,331	974,240	30,646,003	88,816,533	2.45647

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

	2010		2009		2008		2007	
	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾
Voted Millage - by Levy								
2002 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	\$1.6000	\$1.4222	\$1.6000	\$1.3115	\$1.6000	\$1.3100	\$1.6000	\$1.3095
Commercial/Industrial	1.6000	1.4651	1.6000	1.4580	1.6000	1.4544	1.6000	1.4599
Tangible/Public Utility Personal	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
2006 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	\$1.2000	\$1.1751	\$1.2000	\$1.0836	\$1.2000	\$1.0824	\$1.2000	1.0820
Commercial/Industrial	1.2000	1.1163	1.2000	1.1109	1.2000	1.1082	1.2000	1.1123
Tangible/Public Utility Personal	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000
Total Effective Voted Millage by Type of Property								
Residential/Agricultural	\$2.8000	\$2.5973	\$2.8000	\$2.3951	\$2.8000	\$2.3924	\$2.8000	\$2.3915
Commercial/Industrial	2.8000	2.5814	2.8000	2.5689	2.8000	2.5626	2.8000	2.5722
Tangible/Public Utility Personal	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
Overlapping Rates by Taxing District								
Cuyahoga County	\$13.3200	\$12.8457	\$13.3200	\$12.6607	\$13.4200	\$11.8688	\$13.4200	\$11.8688
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	12.8000	12.8000	12.8000	12.8000	12.8000	12.8000
Bedford Heights	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000
Bentleyville	8.9000	7.4705	8.9000	7.4564	8.9000	7.4530	8.9000	7.4528
Berea	17.2000	13.1337	17.2000	13.0431	16.2000	12.0540	16.2000	12.0669
Bratenahl	15.5000	12.9000	15.5000	14.1134	14.0000	11.6432	14.0000	10.9449
Brecksville	8.2100	8.2100	8.5000	8.5000	8.6000	8.6000	8.6000	8.6000
Broadview Heights	9.4000	6.3157	9.4000	6.2737	9.4000	6.2731	9.4000	6.2725
Brook Park	4.7500	4.6458	4.7500	4.6775	4.7500	4.6469	4.8000	4.6753
Brooklyn	5.9000	5.9000	6.9000	6.9000	6.9000	6.9000	6.9000	6.9000
Chagrin Falls	11.2000	11.2000	11.2000	8.8401	15.6000	13.2379	15.6000	13.2416
Cleveland	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
Cleveland Heights	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	13.0000	13.0000
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	15.6000	6.8572	15.6000	6.5565	15.6000	6.5540	15.6000	6.5522
Fairview Park	11.8000	11.5743	11.8000	11.5054	11.8000	11.5044	11.8000	11.5041
Garfield Heights	28.7000	28.7000	23.3000	23.3000	21.9000	21.9000	21.9000	21.9000
Gates Mills	14.4000	12.7194	14.4000	12.1300	14.4000	12.0951	14.4000	12.0862
Glenwillow	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
Highland Hills	20.7000	11.4894	20.7000	12.8525	20.7000	12.8036	20.7000	12.9625
Highland Heights	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Hunting Valley	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000
Independence	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
Lakewood	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000

(continued)

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

	2010		2009		2008		2007	
	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾
Linndale	\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000	\$2.8000
Lyndhurst	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.0000	11.0000
Maple Heights	15.5000	15.5000	15.5000	15.5000	15.5000	14.7784	15.5000	14.7776
Mayfield	7.3000	4.1649	7.3000	4.1547	7.3000	4.1546	7.3000	4.1541
Mayfield Heights	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Middleburg Heights	5.4500	4.6877	5.4500	4.6686	5.4500	4.6686	5.4500	4.6685
Moreland Hills	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000
Newburg Heights	19.5000	17.9780	19.5000	16.8366	19.5000	16.8060	19.5000	16.7973
North Olmsted	13.3000	13.3000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
North Randall	4.8000	4.2131	4.8000	4.1723	4.8000	4.1714	4.8000	4.1692
North Royalton	8.2000	5.9117	8.2000	5.7698	8.2000	5.7708	8.2000	5.7741
Oakwood	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
Olmsted Falls	15.2000	9.9418	15.7000	10.2462	16.5000	9.5842	16.5000	9.5844
Orange	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000
Parma	7.1000	6.6267	7.1000	6.5166	7.1000	6.5160	5.1000	4.5157
Parma Heights	10.0000	10.0000	10.2000	10.2000	10.2000	10.2000	10.2000	10.2000
Pepper Pike	9.5000	9.5000	9.5000	9.0676	9.5000	9.0548	9.5000	9.0533
Richmond Heights	17.0000	14.4382	17.0000	14.3041	17.0000	14.3033	14.0000	11.3082
Rocky River	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000
Seven Hills	9.2000	8.8251	9.2000	8.6128	9.2000	8.6075	9.3000	8.7096
Shaker Heights	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000
Solon	3.9000	3.7563	4.1000	3.9417	4.1000	3.9411	4.1000	3.9405
South Euclid	14.9000	13.2321	14.9000	13.1066	14.7000	12.9048	14.7000	12.9037
Strongsville	9.9000	7.3603	9.9000	7.2089	10.1000	6.1886	10.1000	6.1981
University Heights	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
Valleyview	6.7000	6.7000	7.1000	5.3339	7.1000	5.3333	7.1000	5.3333
Walton Hills	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Warrensville Heights	9.7000	5.5887	9.7000	5.4808	13.2000	6.5852	13.2000	6.5906
Westlake	9.6000	9.6000	9.6000	9.6000	9.8000	9.8000	9.8000	9.8000
Woodmere	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000
Townships								
Chagrin Falls	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000	\$0.4000
Olmsted	21.5000	11.7057	21.5000	11.0654	21.5000	11.0986	21.5000	11.0963
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	7.8000	5.6651	7.8000	5.3894	5.9000	3.4793	5.9000	3.4762
Cleveland Library	6.8000	6.2168	6.8000	6.1703	6.8000	4.9006	6.8000	4.8883
Cleveland Metro Parks	1.8500	1.7249	1.8500	1.6698	1.8500	1.6720	1.8500	1.6715
Cleveland Cuyahoga Port Authority	0.1300	0.1027	0.1300	0.0947	0.1300	0.0946	0.1300	0.0946
Cuyahoga County Library	2.5000	2.5000	2.5000	2.5000	2.0000	1.8086	2.0000	1.8093
East Cleveland Library	7.0000	6.3814	7.0000	6.0101	7.0000	6.0080	4.0000	3.0034
Euclid Library	3.5000	3.4743	3.5000	3.1234	3.5000	3.1204	3.5000	3.1185
Lakewood Library	3.5000	2.3537	3.5000	2.1997	3.5000	2.1935	3.5000	2.1904
Rocky River Library	6.1000	5.0245	6.1000	4.7476	6.1000	4.7376	6.1000	4.7368
Shaker Heights Library	4.0000	4.0000	4.0000	4.0000	4.0000	3.1836	4.0000	3.1779
Westlake Library	2.8000	2.8000	2.8000	2.8000	2.5000	2.1276	2.5000	2.1278

(continued)

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

	2010		2009		2008		2007	
	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾	Gross Rate	Effective Rate ⁽²⁾
Joint Vocational Schools								
Cuyahoga Valley JVS	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000	\$2.0000
Polaris JVS	2.4000	2.0076	2.4000	2.0000	2.4000	2.0000	2.4000	2.0000
Schools								
Bay Village City	\$108.8500	\$46.7716	\$108.8500	\$45.8465	\$108.8500	\$45.7500	\$109.6500	\$46.5149
Beachwood City	83.9000	38.4659	83.9000	36.3519	82.3000	34.7835	82.3000	34.8002
Bedford City	72.5000	38.6966	67.6000	30.9966	67.6000	31.0146	67.6000	31.0134
Berea City	75.0000	38.6450	74.9000	35.9563	74.9000	35.9966	74.9000	36.0527
Brecksville-Broadview Heights City	77.3000	39.1700	77.1000	37.2338	77.1000	37.1756	77.2000	37.2513
Brooklyn City	47.0000	35.0838	46.4000	32.9276	39.5000	26.0149	39.5000	26.0062
Chagrin Falls Exempted Village	108.6000	48.2245	108.6000	47.8160	108.3000	47.4618	100.4000	39.6005
Cleveland Heights - University Heights	136.8000	64.1928	136.7000	60.2978	136.7000	60.1573	129.6000	53.0145
Cleveland Municipal	64.8000	31.4601	64.8000	29.0766	64.8000	29.0506	64.8000	29.0028
Cuyahoga Heights Local	29.0000	22.6478	28.9000	22.4516	28.9000	22.4422	28.8000	22.3479
East Cleveland City	92.5000	39.2650	92.1000	35.4764	92.1000	35.4561	92.1000	35.4148
Euclid City	89.9000	54.4663	85.2000	46.1446	78.2000	39.1132	78.2000	39.0934
Fairview Park City	97.4000	56.5150	96.1000	51.9219	96.0000	51.7746	95.6000	51.3583
Garfield Heights City	56.5000	42.3215	54.6000	40.1189	54.5000	40.0213	54.5000	40.0080
Independence Local	32.0000	30.0066	31.4000	29.2735	31.5000	29.3471	31.5000	28.5896
Lakewood City	107.9000	48.8809	107.2000	45.9650	106.9000	45.5754	106.6000	45.2304
Maple Heights City	71.9000	47.4149	63.4000	37.4302	62.9000	36.1949	62.9000	36.9111
Mayfield City	78.3200	40.0985	78.3200	38.1502	71.4200	31.2351	71.7000	31.5673
North Olmsted City	83.5000	44.5988	83.5000	41.1735	83.5000	41.1462	77.0000	34.6098
North Royalton City	65.5000	41.1462	58.8000	33.7000	59.6000	34.5000	59.8000	34.6999
Olmsted Falls City	93.0000	45.4561	91.9000	41.6942	91.8000	41.6553	89.8000	39.6874
Orange City	86.0000	41.6958	86.0000	40.1499	86.0000	40.0270	86.0000	40.0179
Parma City	66.0000	42.3449	65.1000	38.8681	61.4000	35.1460	64.7000	38.4394
Richmond Heights Local	82.6000	41.3343	78.6000	33.6185	78.6000	33.5915	78.6000	33.7406
Rocky River City	82.7000	42.3267	82.7000	40.8212	77.1000	35.1664	77.2000	35.2625
Shaker Heights City	170.6000	76.1047	170.6000	71.0032	170.3000	70.4688	170.3000	70.3573
Solon City	75.5000	41.4665	75.3000	39.9335	75.3000	39.8732	75.3000	39.8195
South Euclid-Lyndhurst City	101.6000	55.2645	101.5000	50.6368	96.2000	45.2685	96.3000	45.3339
Strongsville City	81.2000	40.3511	81.2000	38.2267	81.3000	38.3385	74.8000	31.9410
Warrensville City	90.8000	51.9727	90.1000	49.6729	90.1000	49.6674	90.2000	49.8122
Westlake City	66.7000	33.2708	66.5000	31.7454	66.5000	31.7267	66.5000	31.7280

Source: Ohio Department of Taxation, Cuyahoga County Auditor.

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

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

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

⁽¹⁾ Information prior to 2007 was not available.

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

Cuyahoga Community College

Principal Taxpayers

Current and Nine Years Ago

Taxpayer	Tax Year 2009			Tax Year 2000		
	Assessed Value	Rank	Percent of Real Property Assessed Value	Assessed Value	Rank	Percent of Real Property Assessed Value
Cleveland Electric Illuminating Company	\$491,365,700	1	1.70%	\$473,548,300	1	1.95%
Cleveland Clinic Foundation	292,677,900	2	1.01	48,456,160	7	0.20
City of Cleveland	129,306,420	3	0.45	248,791,210	3	1.02
Key Center Properties, LLC	83,619,320	4	0.29	*		
American Transmission	69,220,990	5	0.24	87,006,760	4	0.36
East Ohio Gas	68,188,450	6	0.24	*		
Southpark Mall, LLC	66,832,800	7	0.23	*		
Beachwood Place LTD	57,858,580	8	0.20	52,721,240	6	0.22
Progressive Casualty, Inc.	56,142,460	9	0.19	*		
Cleveland Financial	46,967,070	10	0.16	*		
Ohio Bell Telephone	*			270,643,670	2	1.11
Duke Realty Limited Partnership	*			55,552,120	5	0.23
Ford Motor Company	*			41,698,740	10	0.17
ISG Cleveland Inc.	*			47,241,630	8	0.19
ZML-Cleveland Public Square	*			47,232,500	9	0.19
Totals	\$1,362,179,690		4.71%	\$1,372,892,330		5.64%

Source: Office of the County Auditor, Cuyahoga County, Ohio

Note: The 2009 taxpayers were selected based solely upon review of the 200 taxpayers or real, personal and public utility property with the assessed valuation. The 2000 taxpayers were selected based on a review of the 200 taxable parcels of real, personal and public utility with the highest assessed valuation.

Cuyahoga Community College
Property Tax Levies and Collections⁽¹⁾
Last Six Years⁽⁴⁾ (Dollars in Thousands)

Collection Year ⁽²⁾	Total Current Levy	Current Collection	Current Levy Collected	Delinquent Current	Delinquent Cumulative ⁽³⁾
2009	\$76,441	\$70,610	92.4%	\$5,335	\$11,624
2008	75,957	70,502	92.8%	4,718	9,780
2007	76,043	70,437	92.6%	4,787	9,094
2006	68,678	64,167	93.4%	3,889	7,677
2005	68,293	63,874	93.5%	3,680	6,889
2004	67,506	63,334	93.8%	1,955	6,876

Source: College and Cuyahoga County, Ohio financial records.

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

(2) The 2010 information cannot be presented because all collections have not been made by June 30, 2010.

(3) The County does not maintain delinquency information by tax year.

(4) Data prior to 2004 was not available.

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
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	115.20	5.01
2007	76.70	2,301.00	109.50	5.00
2006	73.05	2,191.50	103.50	4.96
2005	69.60	2,088.00	99.00	4.98
2004	66.30	1,989.00	130.50	7.02
2003	61.95	1,858.50	106.50	6.08
2002	58.40	1,752.00	(93.00)	(5.04)
2001	61.50	1,845.00	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	Series A Fixed Rate Bonds	Series B Fixed Rate Bonds	Series C 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 (3)
2010	\$25,896,553	\$0	\$118,022,424	\$0	\$9,955,873	\$25,724,268	\$179,599,118	5,922.48	N/A	0.22%
2009	26,561,398	0	122,999,953	0	0	28,557,944	178,119,295	6,838.12	139.62	0.18%
2008	27,211,243	0	0	20,932,655	0	31,306,018	79,449,916	3,284.82	61.88	0.08%
2007	27,846,087	16,680,000	0	0	0	12,867,122	57,393,209	2,314.62	44.29	0.06%
2006	28,465,932	17,090,000	0	0	0	17,418,669	62,974,601	2,483.42	47.92	0.07%
2005	29,070,777	17,490,000	0	0	0	18,279,370	64,840,147	2,571.59	48.74	N/A
2004	29,665,621	17,875,000	0	0	0	18,522,373	66,062,994	2,774.82	49.07	N/A
2003	29,975,466	17,875,000	0	0	0	11,244,763	59,095,229	2,533.67	43.48	N/A
2002	0	0	0	0	0	12,564,559	12,564,559	590.50	9.16	N/A
2001	0	0	0	0	0	12,000,000	12,000,000	590.52	8.68	N/A

Source: College Financial Audit Reports for years presented.

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

(1) Calculated based on total debt amount divided by historical enrollment from S-19.

(2) Calculated based on total debt amount divided by population from S-16.

(3) Information prior to 2006 was not available.

Cuyahoga Community College
General Receipt Bond Coverage
Last Seven Fiscal Years ⁽¹⁾

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

Source: College financial records.

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

⁽¹⁾ Information prior to fiscal year 2004 is not available.

⁽²⁾ 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 Service Charges is authorized by law (not anticipated to occur) and is made by a supplemental trust agreement; any grants, gifts, donations 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).

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

⁽⁴⁾ The debt service requirements above include the General Receipts Series A and C bonds only.

Cuyahoga Community College
Computation of Legal Debt Service Margin
Last Four Fiscal Years (Dollars in Thousands) ⁽²⁾

	<u>2010⁽⁴⁾</u>	<u>2009⁽⁴⁾</u>	<u>2008⁽³⁾</u>	<u>2007</u>
Property Tax Collections	<u>\$74,690</u>	<u>\$75,579</u>	<u>\$72,502</u>	<u>\$70,437</u>
Debt Service Limit - 75% of Property Tax Collections ⁽¹⁾	\$56,018	\$56,684	\$54,377	\$52,828
Amount of Debt Service Applicable to Limit:				
Tax Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Service Margin	<u>\$56,018</u>	<u>\$56,684</u>	<u>\$54,377</u>	<u>\$52,828</u>
Legal Debt Service Margin as a Percentage of the Debt Service Limit	100.00%	100.00%	100.00%	100.00%

Source: College Financial Records.

⁽¹⁾ Section 2 of Article XII of the Ohio Constitution and Ohio Revised Code sections 3354.11 and 3354.12 limits voted debt to an amount whereby the debt service requirement each year is seventy five percent or less of the property taxes collections for that year.

⁽²⁾ The College had no tax related debt prior to 2008.

⁽³⁾ Tax Anticipation Notes, including premium, of \$20,932,655 were outstanding at June 30, 2008; however, there is no amount due in 2008. The entire balance is due during 2009.

⁽⁴⁾ The Tax Anticipation Notes of \$20,932,655 were retired through the issuance of the Tax Anticipation Note, including premium of \$30,200,700, in December 2008. These Tax Anticipation Notes were retired with a portion of the General Receipts Bonds, Series C issued in June 2009. The College has no tax related debt outstanding as of June 30, 2010 or 2009.

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)
2009	1,275,709	n/a	n/a	9.2 %	\$29,593,695
2008	1,282,880	53,946,514	42,051	7.1 %	31,880,329
2007	1,295,958	52,893,000	40,814	6.1 %	32,460,486
2006	1,314,241	50,637,000	38,529	5.5 %	33,158,045
2005	1,330,428	48,776,000	36,662	6.1 %	30,646,003
2004	1,346,194	47,719,783	35,448	6.2 %	30,647,572
2003	1,359,187	45,655,393	33,590	6.8 %	30,305,032
2002	1,371,563	45,703,641	33,322	6.7 %	28,454,714
2001	1,382,578	45,282,921	32,753	4.5 %	28,699,372
2000	1,393,845	45,276,523	32,483	4.5 %	28,572,250

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

Note: Total personal income not available for 2009.
2010 information not available.

⁽¹⁾ Based on tax year.

Cuyahoga Community College
Principal Employers
(Ranked by the Number of Full-Time Equivalent Employees)
2009 and Six Years Ago

Employer	2009 ⁽²⁾			2003 ⁽¹⁾		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Cleveland Clinic Health System	32,000	1	5.7%	23,567	1	3.8%
U. S. Office of Personnel Management	13,849	2	2.5	*	—	—
University Hospitals Health System	12,970	3	2.3	14,270	2	2.3
Giant Eagle, Inc.	10,319	4	1.8	*	—	—
State of Ohio	10,201	5	1.8	*	—	—
Cuyahoga County	8,956	6	1.6	9,376	4	1.5
Progressive Corp.	8,795	7	1.6	7,557	6	1.2
Cleveland Municipal School District	8,717	8	1.5	10,510	3	1.7
City of Cleveland	8,232	9	1.4	8,658	5	1.4
United States Postal Service	8,195	10	1.4	5,548	10	0.9
KeyCorp	*	—	—	7,381	7	1.2
National City Corp.	*	—	—	5,900	9	0.9
Ford Motor Co.	*	—	—	6,050	8	0.9
Totals	122,234		21.6%	98,817		15.8%
Total Employment within the County	565,000			629,600		

Source: Crain's Cleveland Business.

⁽¹⁾ Data prior to January 1, 2003 is not available.

⁽²⁾ Data is only available through June 30, 2009. Employers listed are exclusively or essentially located in Cuyahoga County.

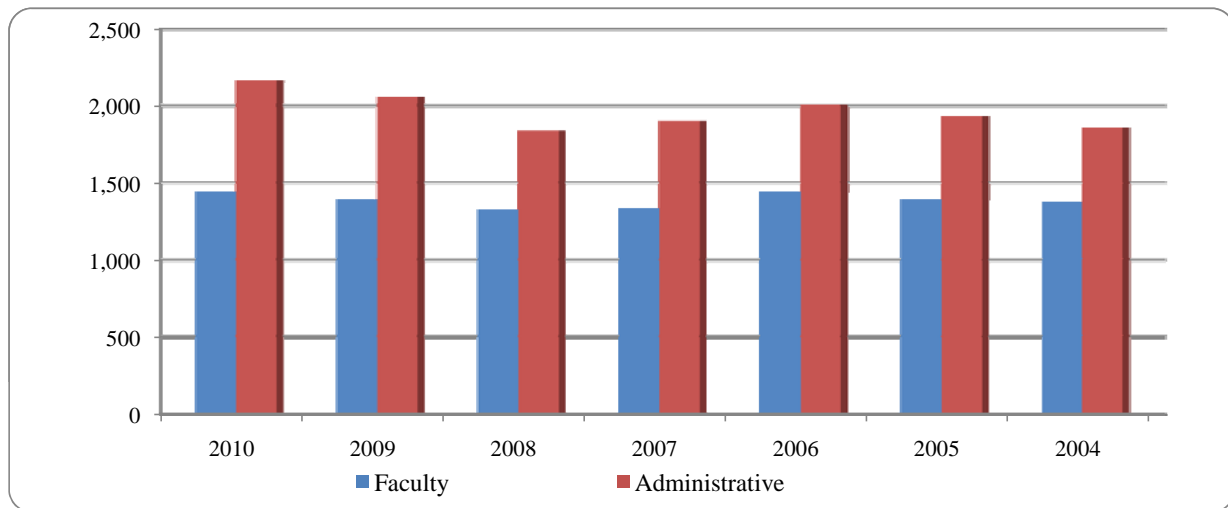
* Taxpayers did not fall within the top 10 for the year identified.

Cuyahoga Community College

Employee Statistics

Last Seven Fiscal Years ⁽¹⁾

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



Source: College Records - Human Resource Department.

⁽¹⁾ Information prior to fiscal year 2004 is not available. Additional information for future years will be displayed as it becomes available.

Cuyahoga Community College

Historical Headcount

Last Ten Fiscal Years

Fiscal Year Fall Semester Headcount⁽²⁾

Major/Program	2010	2009	2008	2007	2006
Health Careers	4,381	3,649	3,234	3,117	3,173
Nursing ⁽¹⁾	3,823	3,298	2,817	2,908	3,064
Business	4,586	4,173	3,685	3,844	4,080
Engineering	1,729	1,633	1,379	1,323	1,182
Public Service	2,076	2,023	1,634	1,605	1,736
Applied Industrial Technology/ Associate of Technical Study	812	381	708	627	153
Associate of Arts/ Associate of Science	9,349	8,244	8,236	8,531	9,014
Certificate Programs	1,406	1,096	878	1,070	1,198
Other	2,163	1,551	1,616	1,771	1,758
Total	30,325	26,048	24,187	24,796	25,358

Fiscal Year Fall Semester Headcount⁽²⁾

Major/Program	2005	2004	2003	2002	2001
Health Careers ⁽¹⁾	3,118	2,676	5,877	4,685	4,515
Nursing ⁽¹⁾	2,857	2,685	-	-	-
Business	4,341	4,187	4,207	4,062	3,918
Engineering	1,065	754	653	632	587
Public Service	1,750	1,642	911	767	718
Applied Industrial Technology/ Associate of Technical Study	191	133	19	18	11
Associate of Arts/ Associate of Science	8,851	8,547	9,183	8,469	8,163
Certificate Programs	1,049	1,127	322	227	178
Other	1,992	2,057	2,152	2,418	2,231
Total	25,214	23,808	23,324	21,278	20,321

Source: College Records - Institutional Research.

⁽¹⁾ Before 2003, Nursing and Health Careers were combined into one category.

⁽²⁾ Represents headcount on the 15th day of the fall semester included in the applicable fiscal year.

Cuyahoga Community College

Graduation Statistics

Last Four Fiscal Years ⁽¹⁾

	<u>2010</u>		<u>2009</u>		<u>2008</u>		<u>2007</u>	
	<u>Count</u>	<u>Percent</u>	<u>Count</u>	<u>Percent</u>	<u>Count</u>	<u>Percent</u>	<u>Count</u>	<u>Percent</u>
Ethnicity								
Native American	8	0.36 %	6	0.33 %	6	0.31 %	4	0.23 %
Black	550	25.08	459	25.40	500	26.03	463	26.46
Asian	64	2.92	47	2.60	59	3.07	60	3.43
Hispanic	59	2.69	42	2.32	62	3.23	55	3.14
White	1,445	65.89	1,191	65.91	1,240	64.55	1,121	64.06
Other	41	1.87	18	1.00	28	1.46	27	1.54
Unknown	26	1.19	44	2.43	26	1.35	20	1.14
Total	<u>2,193</u>	<u>100.00 %</u>	<u>1,807</u>	<u>100.00 %</u>	<u>1,921</u>	<u>100.00 %</u>	<u>1,750</u>	<u>100.00 %</u>
Age								
<20	31	1.41 %	43	2.38 %	47	2.45 %	45	2.57 %
20-24	603	27.50	496	27.45	554	28.84	462	26.40
25-29	491	22.39	398	22.03	388	20.20	368	21.03
30-34	320	14.59	263	14.55	264	13.74	252	14.40
35-39	225	10.26	203	11.23	204	10.62	222	12.69
40-59	504	22.98	392	21.69	455	23.69	385	22.00
>60	19	0.87	12	0.66	9	0.47	16	0.91
Total	<u>2,193</u>	<u>100.00 %</u>	<u>1,807</u>	<u>100.00 %</u>	<u>1,921</u>	<u>100.00 %</u>	<u>1,750</u>	<u>100.00 %</u>
Average Age	32.3		31.8		31.9		32.1	
Sex								
Female	1,562	71.23 %	1,303	72.11 %	1,388	72.25 %	1,294	73.94 %
Male	631	28.77	504	27.89	533	27.75	456	26.06
Total	<u>2,193</u>	<u>100.00 %</u>	<u>1,807</u>	<u>100.00 %</u>	<u>1,921</u>	<u>100.00 %</u>	<u>1,750</u>	<u>100.00 %</u>
Degree Type								
Associate of Arts	653	29.78 %	534	29.55 %	566	29.46 %	494	28.23 %
Associate of Applied Business	306	13.95	289	15.99	316	16.45	263	15.03
Associate of Applied Science	758	34.56	639	35.36	717	37.32	694	39.66
Associate of Science	135	6.16	92	5.09	83	4.32	102	5.83
Associate of Technical Science	17	0.78	21	1.16	4	0.21	10	0.57
Certificate	128	5.84	122	6.75	157	8.17	145	8.29
Post-Degree Certificate	40	1.82	36	1.99	38	1.98	34	1.94
Short Term Certificate	156	7.11	74	4.10	40	2.08	8	0.46
Total	<u>2,193</u>	<u>100.00 %</u>	<u>1,807</u>	<u>100.00 %</u>	<u>1,921</u>	<u>100.00 %</u>	<u>1,750</u>	<u>100.00 %</u>

Source: College Records - Institutional Research.

⁽¹⁾ Information prior to fiscal year 2007 is not available. Additional information for future years will be displayed as it becomes available.

Cuyahoga Community College

Capital Asset Information

Last Four Fiscal Years ⁽¹⁾

Location	2010	2009	2008	2007
District Administration Building				
Total Square Footage	45,819	45,819	45,819	45,819
Total Acreage	2.5	2.5	2.5	2.5
Eastern Main Campus				
Total Square Footage	512,796	512,796	512,796	512,796
Total Acreage	202.8	202.8	202.8	96.2
Metropolitan Campus				
Total Square Footage	1,276,958	1,276,958	1,201,998	1,201,998
Total Acreage	51.7	51.7	51.7	51.7
Western Campus				
Total Square Footage	685,597	685,597	685,597	648,525
Total Acreage	227.3	227.3	227.3	194.3
Corporate College West				
Total Square Footage	104,202	104,202	104,202	104,202
Total Acreage	14.3	14.3	14.3	14.3
Corporate College East				
Total Square Footage	107,000	107,000	107,000	107,000
Total Acreage	18.7	18.7	18.7	18.7
Total Square Footage	2,732,372	2,732,372	2,657,412	2,620,340
Total Acreage	517.3	517.3	517.3	377.7
Dining				
Dining - Seating Capacity	952	952	952	952
Number of Vehicles				
Private Passenger	39	35	32	32
Light Trucks	19	18	17	17
Medium Trucks	18	16	16	16
Heavy Trucks	2	4	2	2
Extra Heavy Trucks	4	4	4	0
Trailers	9	8	6	2
Fire Trucks	2	2	2	2
Motorcycles	2	2	2	3
Total Vehicles	95	89	81	74
Parking Capacity				
Metro	1,660	1,595	1,585	1,585
District	105	106	105	105
East	1,615	1,615	1,574	1,574
West	3,262	3,262	3,215	3,215
Total Parking Capacity	6,642	6,578	6,479	6,479

Source: College Records.

⁽¹⁾ Information prior to fiscal year 2007 is not available. Additional information for future years will be displayed as it becomes available.



Dave Yost • Auditor of State

CUYAHOGA COMMUNITY COLLEGE

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 27, 2011**