Cuyahoga Community College

CLEVELAND, OHIO

Comprehensive Annual Financial Report

For the Fiscal Years Ended June 30, 2018 and 2017

Cuyahoga Community College®

Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Cuyahoga Community College, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period July 1, 2017 through June 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Dave Yost

Dave Yost
Auditor of State

December 6, 2018

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Comprehensive Annual Financial Report

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Cuyahoga Community College

Cleveland, Ohio

Prepared by

Administration and Finance Division

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Introductory Section

November 29, 2018

Letter of Transmittal to the Board of Trustees and residents of Cuyahoga County:

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of Cuyahoga Community College (College or Tri-C®) for the fiscal years ended June 30, 2018 and 2017.

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 fairly present 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 show that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides an overview and analysis of the basic financial statements. MD&A complements this letter and should be read in conjunction with it.

The CAFR has been prepared in conformance with the financial reporting standards applicable to governmental entities set forth by the Governmental Accounting Standards Board (GASB) in its authoritative pronouncements, as well as the financial reporting standards of the Government Finance Officers Association (GFOA). The College is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations (CFR) Part 200, Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards. Audits are performed by the Auditor of State or an independent accounting firm at the direction of that officer pursuant to Ohio law, and examinations or audits are performed under certain federal program requirements. Annual financial reports are prepared by the College and filed as required by Ohio Administrative Code Section 126:3-1 with the Auditor of State no later than October 31st of each year.

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

Profile of Cuyahoga Community College

Reporting Entity

Cuyahoga Community College is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). According to GASB Statement No. 14, and amended by GASB Statement Nos. 39 and 61, the financial reporting entity consists of "a primary or special purpose stand-alone government, organization(s) for which the government is financially accountable, and other organizations for which the nature and significance of their relationship with the government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete." The College is a related organization because the Cuyahoga County Executive, subject to confirmation of the Cuyahoga County Council, appoints a majority of its board members; however, it is legally separate, and is fiscally independent of other state and local governments. Although the College is geographically co-extensive with Cuyahoga County, it is an entirely separate subdivision. In accordance with GASB Statement No. 39, the financial activity of the Cuyahoga Community College Foundation is discretely presented as a component unit of the College while the financial activity of Strengthening Opportunities for Success, Inc. is presented as a blended component in accordance with GASB Statement No. 61. The College is not included in any other governmental financial reporting entity.

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

History

Cuyahoga Community College opened its doors on September 23, 1963 in Cleveland, Ohio making it Ohio’s first community college offering associate degrees. Tri-C was the educational champion for local students who were previously excluded from any real chance at post-secondary education. From initial enrollment of 3,000 students in its first academic term, today the College serves more than 55,000 credit and non-credit students annually and remains Ohio’s oldest and largest public community college.

From its first home in the 10,500 square-foot leased Brownell Building to present day, College-wide operations include over 3.2 million square feet of building space and over 550 acres of ground. Tri-C continues to invest in our students and our community and provides facilities that meet its educational and technological needs. There are four traditional campuses - Eastern Campus, Western Campus, Metropolitan Campus (Metro) and Westshore Campus - two Corporate College® locations, the Brunswick University Center, the Manufacturing Technology Center, the Advanced Technology Training Center, the Hospitality Management Center at Public Square, the District Administrative Offices in downtown Cleveland, the Jerry Sue Thornton Center, the Gill and Tommy LiPuma Center for Creative Arts, the Transportation Innovation Center, the Public Safety Training Center, the Mobile Training Unit and numerous off-campus sites. The campuses are strategically placed throughout the county to be convenient and accessible for our students and the community. Over its 55-year history, Cuyahoga Community College has served more than 900,000 members of our community.

Cuyahoga Community College provides top quality education and flexible learning options. Tuition at Tri-C is the lowest in Northeast Ohio and among the lowest of all colleges in the state of Ohio. Financial resources available at Tri-C include student loans, work study, scholarships, grants and public benefits. The College offers the College Credit Plus program which allows eligible students grades 7 through 12 to earn high school and college credit.

The College’s vision and strategies remain focused on student success and completion along with reframing the student experience to include first and second year experience programs designed to reduce the time students invest in finishing their degree. Many of these initiatives showcase a strong partnership among our extraordinary faculty and staff to assist our students to achieve their educational and technical skill objectives. Tri-C’s federally tracked graduation rate has quadrupled since 2013.

In addition to providing educational and training opportunities, the College partners with local organizations and groups to host and sponsor civic, sporting and cultural events including the annual Tri-C JazzFest Cleveland, the nation's premier jazz festival which celebrated its 39th year in 2018. Nearly 500 artists performed indoors and outdoors for three nights and two days playing world-class jazz and other genres.

The Gill and Tommy LiPuma Center for Creative Arts at the Tri-C Metropolitan Campus provides a unique learning environment for students pursuing studies in a wide spectrum of disciplines including media arts, recording arts, performing arts, animation laboratories and other programs. The Center is named in honor of Cleveland native Tommy LiPuma, one of the most successful pop and jazz producers of all time with 33 gold and platinum records to his credit, 33 Grammy nominations and three Grammy awards. The Center also houses the Rock and Roll Hall of Fame and Museum's library and archives.

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

The Community

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

Based on 2010 US census statistics, Northeast Ohio has a population of approximately 4.3 million people, with a population estimate of 1,248,514 in Cuyahoga County as of July 2017. Though the county is ethnically and culturally diverse, Cuyahoga County demographics indicate 63.8 percent of the population is White, 30.5 percent Black, and 3.2 percent Asian. The median age is 40.4 years and 18.5 percent of the population are individuals below poverty level. Median household income is $45,289 with 2.3 persons per household. Cuyahoga County statistics indicate 30.9 percent have earned a bachelor degree or higher, and 88.5 percent are high school graduates or higher. Cuyahoga County estimates indicate 74,103 of the population are veterans.

TRI-C'S FULLY ACCREDITED NURSING PROGRAM CURRENTLY RANKS #6 AMONG COMMUNITY COLLEGES IN THE NATION

Eight companies represent Northeast Ohio in Fortune Magazine's 2018 list of the top 500 revenue generating firms in the nation. Cuyahoga County's hospital health systems include a number of nationally recognized health care, medical education, medical research and medical technology institutions including the world-renowned Cleveland Clinic, University Hospitals Health System, the MetroHealth System, and the Global Center for Health Innovation which employ a large percent of the County's labor force. The metropolitan area is served by 50 hospitals, many of which are affiliated with medical schools such as Case Western Reserve University School of Medicine. The College offers more than 30 health career programs leading to associate degrees or certificates.

Tri-C ranks #6 among all colleges in the nation in awarding associate degrees in nursing, and #12 in the nation in awarding degrees in all other health career related professions. In Ohio, Tri-C ranks first in the number of associate degrees conferred in registered nursing, nursing administration, nursing research and/or clinical nursing, health professions and related programs.

Cuyahoga County is noted for its many cultural institutions and attractions including the Cleveland Museum of Art, Playhouse Square which is the country's largest performing arts center outside of New York, the Cleveland Museum of Natural History, the Cleveland Botanical Garden, the Museum of Contemporary Art, the Rock and Roll Hall of Fame and Museum, the Great Lakes Science Center, the Western Reserve Historical Society, the NASA Lewis Research Visitor Center, and Severance Hall which is home of the world renowned Cleveland Orchestra. The Cleveland Metroparks is where you can explore 18 reservations spanning more than 23,000 acres with more than 300 miles of trails, eight golf courses, eight lakefront parks and a nationally-acclaimed zoo.

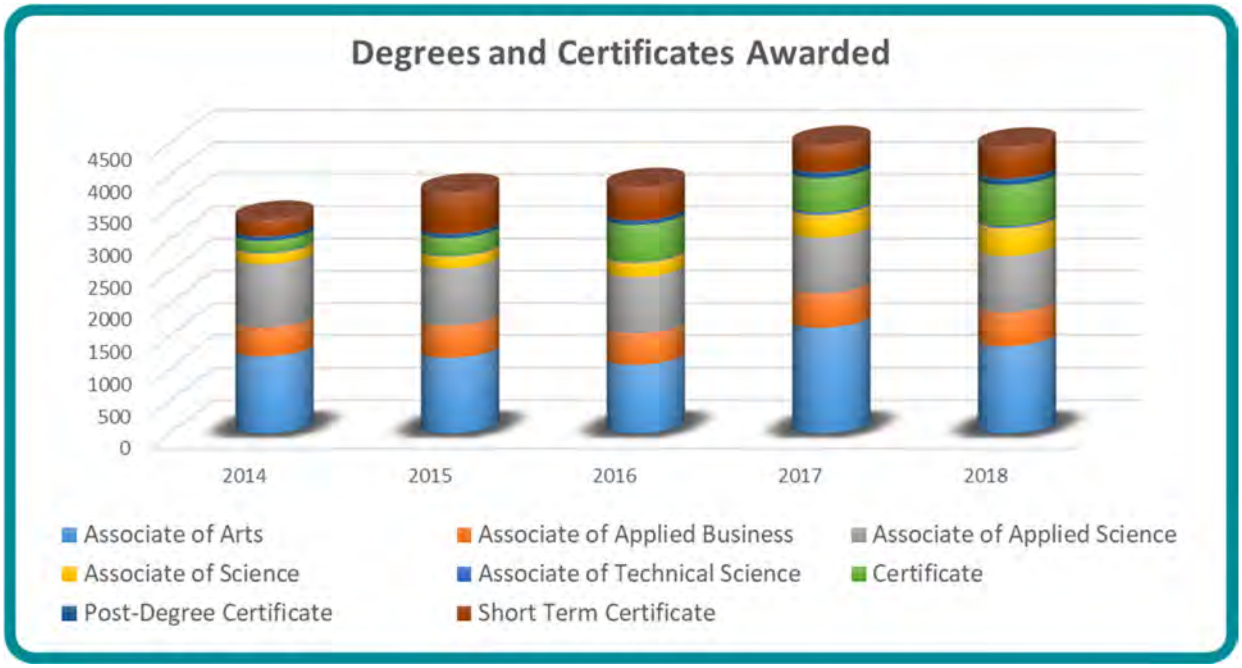
Cleveland is home to numerous professional sports teams including the Cleveland Cavaliers, the Cleveland Monsters and the Cleveland Gladiators at Quicken Loans Arena which is also known as "The Q"; the Cleveland Indians at Progressive Field; and the Cleveland Browns at FirstEnergy Stadium.

Tri-C empowers students to complete their education in a timely manner. With the adoption of an intentional case management approach to student success, we provide students with clear pathways to degree and certificate completion. This approach guides students toward meaningful careers or to four-year universities. Our six key priorities are to increase the College's graduation rate and the overall number of certificates and degrees granted annually; to provide structured educational pathways and individualized support to track progress and reduce time to college completion for all students; to close the achievement gap and make higher educational credentials attainable for all students, regardless of age, race or economic standing; to provide quality training and services, ensuring that workforce programs are closely aligned with high-demand, developing industry sectors; to remain transparent when communicating outcomes and achievements both internally and externally, promoting good stewardship of resources and showcasing student success; and to maintain our institutional mission, vision, culture and service in the face of social, economic and political change in order to remain accessible and affordable to the students and community who rely upon us.

The shift from low-skill jobs to jobs that require advanced skills and higher educational attainment requires the College to invest a significant amount of resources to develop and deliver employer-requested, career-focused training. The College continues to commit resources to develop these programs through investment in its Advanced Manufacturing and Engineering programs along with establishing its Centers of Excellence in Hospitality Management, Public Safety, Information Technology, Creative Arts, Nursing, and Manufacturing Technology. Ninety percent of Tri-C graduates from career programs find employment, and 83 percent of those jobs are related to their field of study.

Types of Services

Cuyahoga Community College is fully accredited by the Higher Learning Commission, a Commission of the North Central Association of Colleges and Schools which permits the College to award the Associate of Arts, Associate of Science, Associate of Applied Science, Associate of Applied Business and Associate of Technical Study degrees to students who satisfactorily complete their coursework. The College recently completed the comprehensive evaluation process and was formally notified of the reaffirmation of accreditation in June 2018.



The College offers more than 1,000 credit courses and 200 degree and certificate programs in most career fields designed to prepare students to thrive in this dynamic global economy. Classes are held in locations throughout the community, close to home or work, with day, evening and weekend options.

A number of the College's career programs are accredited or approved by appropriate specialized associations or agencies. The College offers 88 technical programs leading to an associate degree. Of these programs, 66 lead to an Associate of Applied Science degree and 22 lead to an Associate of Applied Business degree. Short-term professional certificates are offered in 35 program areas and 60 programs offer a one-year certificate of proficiency. The College offers nine post-degree professional certificate programs and a variety of non-credit courses, support services and special programs designed to meet the needs of a diverse student body and the community at large.

The College has seven formal Dual Admission Partnerships with local colleges and universities. Through Dual Admissions, students complete their associate degree at Tri-C with the intent to complete their bachelor degree at the partner school. The College also has 125 formal articulation and transfer agreements with both public and private four-year institutions. The statewide articulation and transfer policy facilitates movement of students and credits from one Ohio public college or university to another. The policy avoids duplication of course requirements and enhances a student's mobility throughout Ohio's higher education system. The policy also establishes a "Transfer Module", a specific subset of an institution's general education requirement. Students who successfully complete the Transfer Module at one institution will have met the Transfer Module requirements of the receiving institution.

Ninety-five percent of Tri-C students are seeking an associate degree or taking courses to transfer to a four-year institution. Approximately 68 percent of students are enrolled part-time, 38 percent are enrolled in evening or weekend classes, while 62 percent are enrolled in technical job training courses. The College serves more than 650 veterans at our military-friendly institution. Through the College Credit Plus program, more than 3,500 high school students enrolled in classes in Spring 2018. Students range in age from 15 to over 75. Fifty-nine percent of students are under the age of 25 and 14 percent are over 40. Females account for 61 percent of the student population. Thirty-seven percent of our students are from minority groups. Students from more than 40 countries have attended Tri-C. More than 8,500 Tri-C students have benefited from more than $7 million in scholarship money in the last five years.

Economic Environment Analysis

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

The Ohio Revised Code allows for several types of incentives or tax abatement programs as an inducement to invest in property improvements and/or create additional jobs. If approved by the local government, these abated properties would have an adverse effect on the College's resources over the abatement periods which may last as long as 15 years.

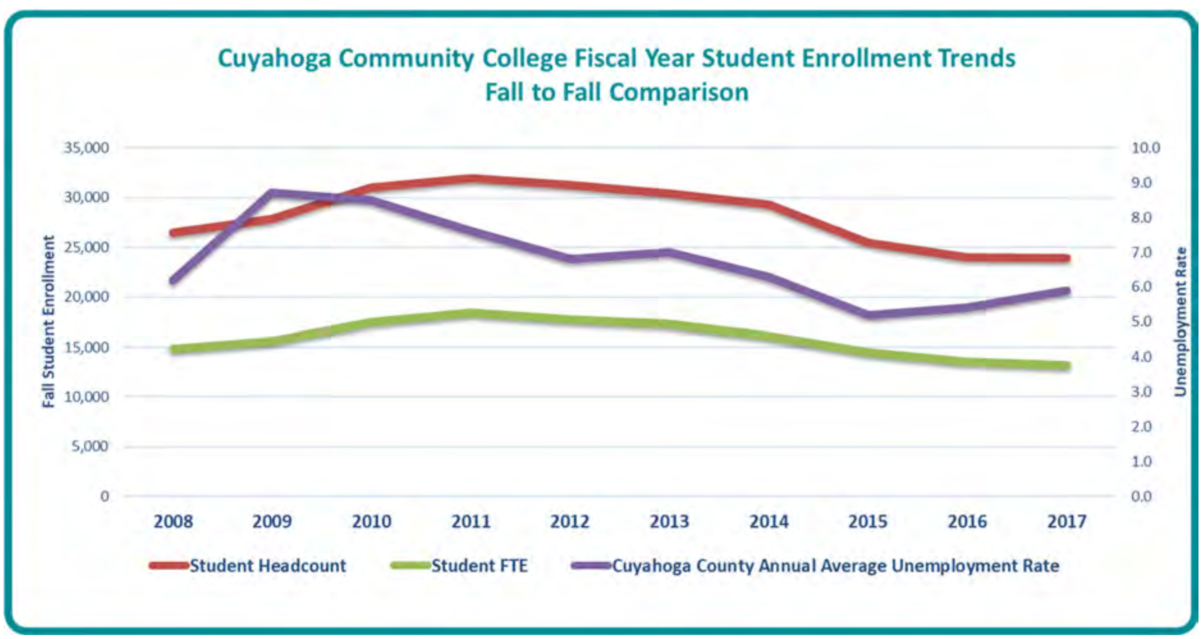
Cuyahoga County's civilian labor force included over 623,500 individuals, of which 583,700 were employed as of June 2018, up from 619,600 individuals, of which 580,300 were employed as of June 2017. Unemployment rates in Cuyahoga County trend 1.0 to 1.5 percent higher than the State. County unemployment in June 2018 was 6.4 percent compared to Ohio's 5.3 percent. The unemployment trend in Cuyahoga County has improved from the 9.2 percent high recorded in 2009 to its present 6.4 percent at June 30, 2018. The unemployment rate in the County was 6.3 percent at June 30, 2017.

The population of Cuyahoga County has fallen from 1,280,122 in 2010 to a census estimate of 1,248,514 in 2017. Some of this population decline is attributed to people moving out of the urban areas within Cuyahoga County to neighboring suburban counties. Reductions in population contribute to lower tax revenues as well as lower enrollment at the College.

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

Despite slightly lower student enrollment in 2018, the College received $72.1 million in SSI as compared to $71.1 million and $67.8 million in fiscal years 2017 and 2016 respectively. As student graduation and transfer rates increased, the College received additional revenues to offset its operating costs as well as to continue investing in efforts to improve student outcomes.

Enrollment peaked in Fall semester 2011 with 31,699 credit students when the County's unemployment rate averaged just under eight percent. The County's unemployment rate in Fall 2017 was 5.9 percent and Tri-C's enrollment was 23,900 students, a 24 percent decrease from the 2011 record high. Typically, enrollment trends mirror the unemployment trends in the community and thus the College recognizes it has a responsibility to adjust and adapt its programs to provide the resources required to educate and provide the job skills required to meet the employment needs of Northeast Ohio.



While these economic factors pose significant challenges for the College, they also provide the opportunity to review and change our educational models and business processes to ensure efficient and effective institutional operations. By focusing on innovation, efficiencies, strategic collaboration, and improved data collection and analysis, Cuyahoga Community College will continue to provide high quality, accessible and affordable education while maintaining its fiscal health.

Long Term Strategic Financial and Operational Planning

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

The College has Board approved policies and procedures which provide the operating principles for the College in the following areas: Board Governance; Finance and Business Services; Access, Learning and Success; Human Resources; and Administration. These policies provide guidance for planning of resources and maintaining fiscal integrity. The College's long range plan forecasts revenue and expenditures for a five-year period in order to best manage each fiscal year's expenditures and yield a balanced budget whereby operating expenditures do not exceed resources. The long range plan helps model the College's fiscal performance and is updated monthly with College and community data. As financial and strategic assumptions change throughout the fiscal year, the long range plan is adjusted accordingly.

Budget Development Process

The Cuyahoga Community College Board of Trustees adopts a budget for each fiscal year based on a five-year plan and the College goals. The linking of the College goals to measurable objectives is critical in responding effectively to the needs of the community and to budget constraints set by the State. The President requires major budget units to submit a comprehensive budget package to the College's Office of Planning, Budget, and Strategic Support, including a full-time staffing plan, enrollment plan, operating plan, and equipment requests.

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

Auxiliary and 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 such as bookstores, food services, parking and non-credit training to students and the community that the College may not otherwise be able to offer.

As part of the budgeting process, allocations for capital projects are also reviewed. Proposed capital projects are assessed against the Academic and Facilities Master Plan and approved by the Board of Trustees. The President and relevant staff annually review and prioritize project requests against resources available through internal funds, state capital appropriations, and financing.

Every other year, the College updates its six-year capital improvement program which provides the basis for a state capital appropriation request submitted to the Ohio Department of Higher Education (ODHE). The request identifies the projects proposed to be financed with state appropriations and the purpose, priority, amount, and source of funds for these projects. ODHE and the General Assembly may approve, modify, or decline aspects of the College's requested capital appropriation programs. The College received state appropriations for capital projects in the amount of $15,575,000 for the 2017-2018 biennium and $15,441,000 for the 2019-2020 biennium. These projects include the next phases of the structural renovations at Metropolitan campus, Phase II of the Public Safety Training Center, the Metropolitan Campus Center, Eastern Campus Quad renovations as well as deferred maintenance projects.

The Board of Trustees annually reviews operating budgets for the general fund and auxiliary funds, as well as capital expenditures related to debt service, capital operating and other capital expenditures. The Board adopts the annual general operating fund and capital expenditure budgets based on the recommendation of the President and Treasurer. The Board may modify the budgets during the year to reflect revised expenditure or revenue projections for that fiscal year.

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

Financial Reporting

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

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

Audit and Advisory Services

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

Strategic Focus Areas

In 2018, the College completed a comprehensive College-wide strategic planning process that has resulted in a new long-range strategic plan that extends through 2022. A cross-functional team progressed through a rigorous research and planning process that involved gathering information and input from a comprehensive group of internal and external stakeholders to determine the strategic goals of the College. Additionally, the team relied on the College's Academic Quality Improvement Program (AQIP) Systems Portfolio and its accompanying Systems Appraisal Feedback Report, the new higher education funding strategy, the State Share of Instruction, and an analysis of current issues facing community colleges on a state and national level in formulating its strategic plan. For 2018 to 2022, the College initiatives are aligned around five strategic focus areas, each with accompanying goals and metrics to sharpen the focus and clarify the path to success.

Student Experience

In order for all students to access a quality education and success in their goals, Tri-C will provide a comprehensive student experience within a welcoming and safe learning environment.

- Remove barriers for all students from point of entry to completion, including using technology to support improved processes, academic monitoring of students and enhanced faculty engagement, to close the equity gap and improve success outcomes for all students
- Maintain high academic quality, rigor, and integrity and support academic innovation and excellence in instruction in alignment with accreditation standards, College policies and procedures and the continual improvement processes of a self-regarding institution
- Improve flexibility of schedules and holistic service and support with expanded programs and offerings both online and in person as part of a framework of educational pathways
- Provide the facilities, technology and equipment that improve accessibility, enhance safety and security and support state-of-the-art learning environments that enrich the student experience

Brand/Image

The College will continue to increase communication and engagement with its internal and external community by promoting a culture of transparency, accountability and inclusion.

- Build on an institutional culture committed to shared governance, collaboration, inclusive excellence and genuine care and concern for students and the community
- Communicate progress toward strategic goals and stewardship of community resources to increase transparency and accountability
- Expand opportunities for student, alumni, employee and community identification with the College and the Tri-C brand

Community

Tri-C will build on its external partnerships with the community – including alumni, employers, educational institutions, organizations and governments – to meet student needs and improve the quality of life throughout the region.

- Strengthen community outreach through strategic external partnerships in an effort to ensure a social and economic return on investment for Northeast Ohio
- Develop new opportunities for alumni to volunteer, reconnect and foster lifetime engagement with the College, including encouraging philanthropic support for the next generation of alumni
- Increase fundraising to support student success and College priorities

Workforce

Tri-C will strengthen internal pathways and ensure that programs, degrees and credentials align with employer needs so that residents are prepared to participate in the skilled workforce and growing economy of Northeast Ohio.

- Increase opportunities for students to earn degrees and industry credentials that closely align with the requirements of employers and strengthen the economy in Northeast Ohio
- Improve internal and community awareness of Tri-C's Centers of Excellence and the opportunities available to students through innovative pathways designed to integrate credit and non-credit programming
- Market all workforce programs internally and externally to increase awareness of available training and resulting career opportunities

Affordability

Tri-C will maintain its longstanding commitment to provide affordable educational opportunities and services, remove barriers to educational access, exercise good stewardship of taxpayer resources and ensure institutional integrity.

- Reduce financial barriers for students by providing expanded resources that minimize student debt, lower the cost of attendance and provide affordable educational and training opportunities
- Maximize institutional efficiencies and reduce operational expenses to reinvest in programs that support student success and completion
- Develop a College-wide budget that ensures continued fiscal integrity and long-term financial stability

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

Academic and Facility Master Plan Implementation

While the College continues to focus its academic program offerings to meet the demands of the communities we serve and in support of its mission and values, the College must also ensure that its facilities and equipment provide a safe, comfortable and modern environment in which students can engage, learn and achieve success. Building construction for Cuyahoga Community College occurred primarily in the 1960's and early 70's. In 2007, the College developed its Ten Year Academic and Facilities Master Plan geared to enhance the success, learning and outcomes of our students over the planning period. To execute the plan, a tax-exempt general receipt bond was issued in the first half of 2009 to refinance previous debt and fund Phase 1 of the plan. The College used proceeds from a $121 million bond issue to complete construction of the Westshore Campus, Recreation/Wellness Renovations, the Center for Creative Arts and the Advanced Technology Training Center at Metropolitan Campus, and the Campus Health Careers and Technology Center and Natatorium/Wellness Center at Eastern Campus, increasing access and services for students. In March 2018, the College issued $227.5 million in general obligation bonds to support the completion of Phase II of the Facilities Master Plan. Revenues within the bond retirement fund are the associated county tax levies.

Affordability and Efficiency in Higher Education

Task Force on Affordability & Efficiency in Higher Education

On February 10, 2015, Governor John Kasich signed an Executive Order establishing the Ohio Task Force on Affordability and Efficiency in Higher Education, to review and recommend ways in which Ohio's institutions of higher education can be more efficient, offering an education of equal or higher quality while at the same time decreasing costs. On October 1, 2015, the Task Force proposed a series of action steps in the form of twenty-nine recommendations across nine main categories that address the affordability and efficiency objectives. The recommendations require that students must benefit and establish five-year goals. The nine categories include detailed recommendations on Strategic Procurement, Assets and Operations, Administrative Cost Reforms, Textbook Affordability, Time to Degree, Policy Reforms, Duplicative Programs, Co-located Campuses and Implementation. The College continues to pursue these goals through various strategic alliances.

The College is a member of the League for Innovation in the Community College which is an international non-profit organization with a mission to cultivate innovation in the community college environment. League activities and initiatives center on essential topics including diversity; equity and inclusion; information technology; leadership development; learning and student success; research and practice; and workforce development.

League.org FOR INNOVATION IN THE COMMUNITY COLLEGE

In 2005, the College was selected to be a part of Achieving the Dream (ATD), a national multi-year initiative created to help community college students succeed in their educational goals. Results of the ATD initiatives have been tracked over the life of the program, and students in the ATD cohorts experience higher levels of student success as measured by retention rate, credits earned and grade point average. After the ATD funding concluded, the College continues its leadership efforts in student success and developmental education initiatives through its receipt of ATD Developmental Education Initiative funding from the Bill and Melinda Gates Foundation. This new program provides assistance for the five ATD Ohio colleges to work with the other Ohio community colleges to promote student success and completion on a statewide level.

Strategic Alliances

Enterprise Resource Planning

The College is expanding its relationship with Banner® by Ellucian, the College's student and financial reporting enterprise software, to create a collaboration of public and private institutions. There are 26 institutions using Banner in Ohio, and the Ohio Banner Users Group provides opportunities to produce more efficient results in areas such as student access and success, accountability and increased performance standards.

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

Dual Admission Partnerships

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

Baldwin Wallace and Tri-C are preferred transfer partners, meaning the colleges are committed to working together on a common goal, helping students build a bridge from Tri-C to Baldwin Wallace. The A2BW (associate to bachelor) program is a transfer agreement that gives students maximum transfer credit from their Tri-C associate degree to a Baldwin Wallace bachelor degree. A2BW pathways are created and approved by Tri-C and BW and show how courses in various Tri-C associate degree programs maximize meeting degree requirements for several Baldwin Wallace bachelor degree majors.

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

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

The articulation pathway agreements entered into with Kent State University enable students, after earning their associate degree from Tri-C, to transfer seamlessly to complete a bachelor degree at Kent State in 14 fields such as American Sign Language/English Interpreting; Conflict Management, Construction Management, Exercise Science, Hospitality Management and Respiratory Care.

University Transfer Partnerships

In addition to Dual Admission Partnerships, Tri-C also has transfer agreements with many of Ohio's public colleges and universities as well as a number of private institutions across the country. These program-specific articulation agreements offer transfer opportunities for our students, enabling them to earn their first degree at Tri-C and continue their education to earn a bachelor degree without loss of transfer credits. A few of these agreements include programs at Rose-Hulman Institute of Technology, Berklee College of Music, Ohio University and others.

Students are also able to complete their bachelor degree at Tri-C campus locations through partner agreements with four universities: Baldwin Wallace University offers classes at Corporate College East; Franklin University offers classes at the Western Campus; Hiram College offers classes at the Eastern Campus; and Tiffin University offers classes at the Brunswick University Center, Metro and Corporate College West.

Regional Campus Bookstores

Barnes & Noble (BN) is the College's official bookstore and sells, rents and buys back textbooks, and also offers digital learning material, apparel, gifts and accessories, and supplies and electronics. BN has a price match guarantee for new, used and rental books in order to offer the same or lower prices than those offered on Amazon, bn.com and local competitors. This commitment by the College's strategic partner continues to decrease the cost of many required textbooks. Expanding textbook options has increased satisfaction, service and savings that meet the needs of our students.

Library Partnership Agreement

In 2014, the College signed an agreement with Cleveland Public Library and Cuyahoga County Public Library to share resources, exchange services and coordinate programming. The collaboration provides opportunities for the institutions to work together to better serve the community. Staff at the College and libraries are trained on each other's programs and services. The agreement establishes an internship program for Tri-C students with the libraries, enhances educational access to Tri-C through library referrals, provides website links between the institutions and printed materials for distribution, and creates opportunities for joint programming and events.

Greater Cleveland Regional Transit Authority (RTA)

The College is pleased to support the RTA Student U-Pass program. U-Pass is short for "Universal Pass" and allows Tri-C students to ride free of charge on all Greater Cleveland RTA buses and rapid trains during all academic semesters/sessions. The program is available to registered and paid credit students who are enrolled in one credit hour or more at the College. The U-Pass program greatly reduces transportation costs for our students by saving on gas and other vehicle related expenses, provides easy access to our campuses, and supports our sustainability commitment by lowering traffic volume and air pollution.

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.

- The College has earned its ninth consecutive Military Friendly School designation in recognition of its commitment to serving veterans and active military students, as well as their families. Tri-C was designated as a Top 10 school for the second consecutive year. The College has also been named a Military Spouse Friendly School by Military Spouse Magazine, its publisher Victory Media and the accounting firm of Ernst & Young.

- Tri-C has been named a Bellwether Award finalist in recognition of its Adult Diploma program which connects undereducated Ohio residents with the education and training needed to secure employment in growth industries. Participants are adults age 22 or older who left high school before graduation. The program meshes academic work with career training, leading to a high school diploma and workforce credential needed to land an in-demand job. Tri-C won its first Bellwether Award in 2017 in recognition of workforce development programs at the

Manufacturing Technology Center of Excellence. Only three community colleges in Ohio have won the award since it debuted in 1995.

- A unique partnership between ApprenticeOhio and Tri-C is making it easier for students to pursue careers in well-paying industries that need workers. The Ohio College Apprenticeship Consortium will provide tuition reimbursement to participating students for completing pre-apprenticeship and registered apprenticeship programs in occupations identified by local businesses as needing workers. Tri-C is one of ten community colleges across the state selected for the partnership. ApprenticeOhio ranks second in the nation in the number of apprentices, and more than 19,000 registered apprentices are working in Ohio in more than 200 occupations.

- Nine public colleges and universities in Northeast Ohio have teamed up to create a consortium agreement to improve efficiency and effectiveness, strengthen educational offerings, provide collaborative pathways to degrees and support the region's workforce. The Northeast Ohio Regional Higher Education Compact aims to create strong pathways from K-12 to higher education while lowering the overall cost of pursuing a degree in the Northeast Ohio region through high quality educational offerings.

- The Goldman Sachs 10,000 Small Businesses program at Tri-C reached a milestone exceeding 600 graduates since the program debuted at the College in 2012. Graduates of the program represent a variety of industries and businesses. Each spent 13 weeks studying a business and management curriculum designed by Babson College, a top-ranked school for entrepreneurial education.

- The College has been awarded a federal grant to build on the success of its Upward Bound Math and Science program benefiting Cleveland high school students. The program delivers year-round support to help students from low income neighborhoods improve math and science scores in preparation for college. Services include tutoring, advising, job shadowing experiences, college visits and other academic and career assistance. The College launched the Upward Bound Math and Science program after receiving a federal grant in 2007, and students in the program have excelled over the past decade with stellar test scores and graduation rates far above the state average.

- Tri-C was one of 17 community colleges highlighted for outstanding work on the Walmart Foundation's Job Ready, Willing and Able initiative. The American Association of Community Colleges showcased the work in *Job Ready, Willing & Able: Leveraging Resources and Talent for Changing Economies*.

- The College's Adult Diploma Program was a recipient of Dominion Energy Ohio's 23rd Annual Community Impact Award which recognizes nonprofit organizations that make Ohio communities better places to live, learn, work and play. In just three years, the Adult Diploma Program has served more than 700 adults who left high school before graduation. The program combines academic work with career training, and graduates earn a high school diploma in addition to a workforce credential needed to land an in-demand job.

- A generous grant from the Cleveland Foundation's Fenn Educational Fund will enable the College to increase the number of internships and leadership development opportunities for students studying the humanities. The two year award will fund an experiential learning/career placement specialist who will work with area companies, local government agencies and nonprofit organizations to establish a variety of internships and job shadowing experiences that focus on leadership development. This position further connects the College's Jack, Joseph and Morton Mandel Humanities Center with the College's Career Center.

- Tri-C's new online catalog went live in August, 2017 and is mobile friendly and accessible from anywhere. The new way to search for classes is easy to navigate, provides course information at your fingertips, organizes academic information, and features both credit and non-credit courses in one place.

- In September, Cuyahoga County and Tri-C announced a Workforce Development Alliance partnership that provides free training for in demand jobs. The initiative will offer scholarships to income eligible residents for enrollment in fast-track training programs. The College will award 200 student scholarships during the project's pilot phase which targets training programs for careers as a state tested nurse aid, patient access specialist or truck driver. This alliance between the county and Tri-C expands access to the College's award winning workforce programs and opens doors to jobs with sustainable wagers, thereby strengthening families and the community.

- A record number of students petitioned to graduate from Tri-C at the 2017 Fall Commencement, continuing an upward trend of academic achievement. The College conferred 1,929 associate degrees and certificates of completion which represents an 18 percent increase from last fall. A total of 932 students achieved honors recognition for the spring and summer semesters, earning a 3.5 GPA or higher while taking twelve or more credits.

- Tri-C has been granted a chapter of Lambda Nu, the national honor society for the radiologic and imaging sciences. The official name is the Ohio Eta Chi Chapter. This achievement enables radiography, nuclear medicine and sonography students who meet standards of academic excellence to be inducted into the honor society, receive recognition for their achievement and become eligible for Lambda Nu scholarships.

- The First Day Solutions / Inclusive Access Program is a new textbook model in collaboration with top publishers and Barnes & Noble that provides textbooks in a digital content. The cost of the textbook/digital content is included as an additional course charge on a student's schedule and fee statement.

- Tri-C is proud to be recognized by Employers Recourse Council in 2018 as one of 99 best places for top talent in Northeast Ohio to work. This is the twelfth time the College has received the NorthCoast 99 award.

Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada 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, 2017. This College has earned this prestigious award every year since 2008. 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 College received the GFOA Distinguished Budget Presentation Award for its annual budgets for the fiscal years beginning July 1, 2008 through July 1, 2016. The Distinguished Budget Presentation Award was replaced with the Award for Best Practices in Community College Budgeting for fiscal years beginning July 1, 2017. The College received the Award for Best Practices in Community College Budgeting for fiscal years beginning July 1, 2017 and July 1, 2018. The budgeting process advocated for by the best practices in Community College budgeting is focused on optimizing student achievement within available resources.

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, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

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

Cuyahoga Community College is an asset to the community we serve and touches countless lives in significant ways. Cuyahoga Community College is where futures begin.

Acknowledgements:

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

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

Respectfully submitted,

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

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

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cuyahoga Community College

Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

CUYAHOGA COMMUNITY COLLEGE

MISSION

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

VISION

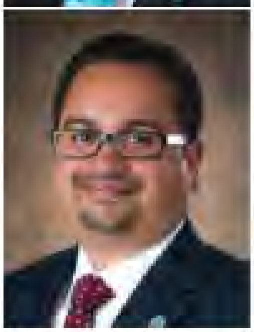
Cuyahoga Community College will be recognized as an exemplary teaching and learning community that fosters service and student success. The College will be a valued resource and leader in academic quality, cultural enrichment, and economic development characterized by continuous improvement, innovation,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

VALUES

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

Cuyahoga Community College President and Board of Trustees

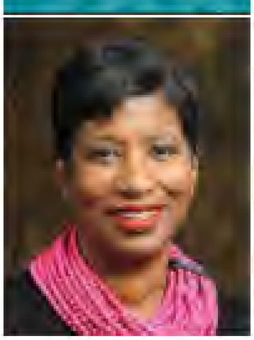
Alex Johnson, Ph.D.
President



Victor A. Ruiz
Chair
County Executive
Appointment
Term ends 01-17-22

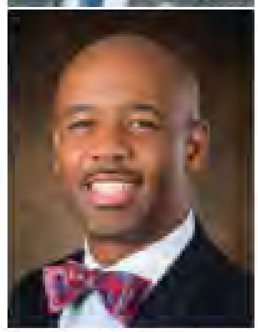
Andrew E. Randall
Vice-Chair
Governor Appointment
Term ends 10-12-22

Vacant
Governor Appointment
Term ends 10-12-18

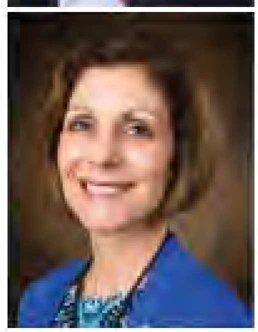


Helen Forbes Fields
County Executive
Appointment
Term ends 01-16-20

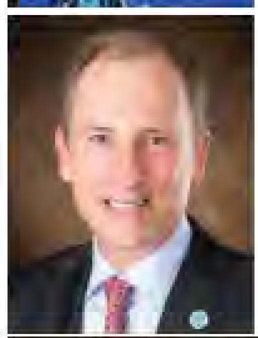
Jerry L. Kelsheimer
County Executive
Appointment
Term ends 01-16-20



The Rev. Cory Jenkins
County Executive
Appointment
Term ends 06-22-21



Geralyn Presti
County Executive
Appointment
Term ends 06-22-21



J. David Heller
County Executive
Appointment
Term ends 03-26-22

Ann M. Frangos
Governor Appointment
Term ends 10-12-22

Cuyahoga Community College Administration

Dr. Alex Johnson, *President*

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

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

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

Dr. Lisa Williams, *Campus President, College Vice President, Eastern Campus*

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

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

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

Alicia Booker, *Vice President, Operations and Manufacturing*

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

Lindsay English, *Interim Vice President, Learning and Engagement*

Jenny Febbo, *Vice President, Integrated Communications*

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

Gerard Hourigan, *Vice President, Chief Innovation and Strategy Officer*

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

Cynthia Leitson, *Vice President, Capital, Construction and Facilities*

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

Robert Peterson, *Corporate College President and CEO*

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

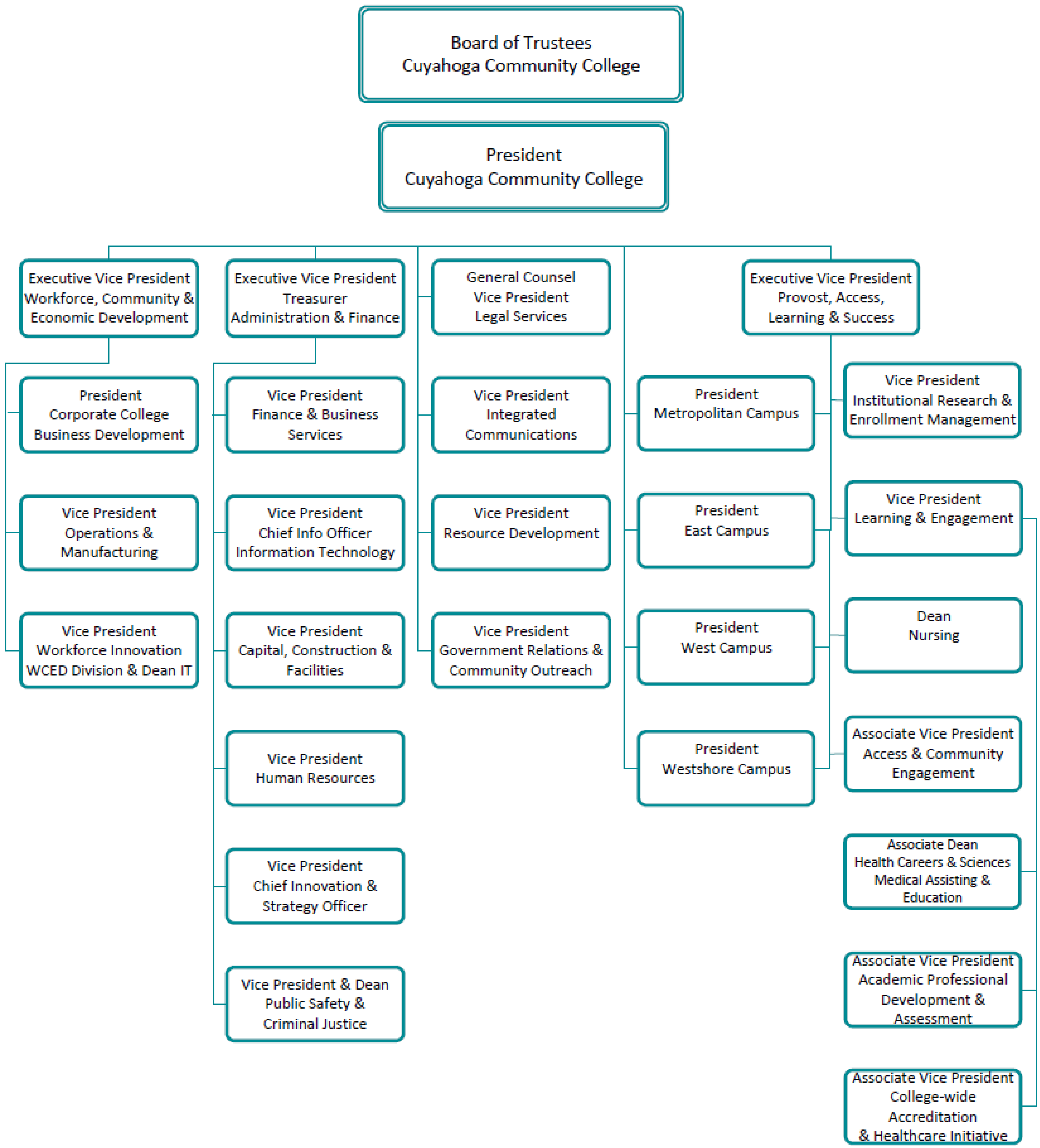
Claire Rosacco, *Vice President, Government Relations and Community Outreach*

Standish Stewart, *Vice President & Chief Information Officer, Information Technology Services*

Monique Umphrey, *Vice President, Workforce Innovation*

Lillian Welch, *Vice President, Human Resources*

Cuyahoga Community College
Organizational Chart



Financial Section

Ciuni &
Panichi
CPAs and Business Advisors
Where Relationships Count.

Independent Auditor's Report

Board of Trustees
Cuyahoga Community College
Cleveland, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Cuyahoga Community College (the "College") as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

C&P Advisors, LLC
Ciuni & Panichi, Inc.
C&P Wealth Management, LLC

25201 Chagrin Boulevard
Cleveland, Ohio 44122.5683
p. 216.831.7171
f. 216.831.3020
www.cp-advisors.com
Independent Member of
Geneva Group International

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2018 and 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Implementation of New Accounting Standards

As described in Note 2 to the basic financial statements, in 2018, the College adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and as a result restated their June 30, 2017 net position of the business-type activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Board of Trustees
Cuyahoga Community College

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2018 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Ciuni + Panichi, Inc.

Cleveland, Ohio
November 29, 2018

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The management's discussion and analysis of Cuyahoga Community College (the "College") provides an overview of the College's financial position and activities for the fiscal years ended June 30, 2018 and June 30, 2017, with comparative information for the year ended June 30, 2016. The intent of this discussion and analysis is to look at the College's financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the College's financial performance.

FINANCIAL HIGHLIGHTS

Fiscal Year 2018

- The College's ODHE composite score, a measure of fiscal health, for fiscal year ended June 30, 2018 was 3.4 versus the 3.6 score of fiscal year 2017 exclusive of GASB 68 and GASB 75 pension and postemployment expense. Performance metrics are established by the Ohio Department of Higher Education. The College sets its internal target goal at 3.0 or greater. The decline in the current year composite score is largely due to increased debt acquired to finance capital improvements from voter-approved general obligation bonds.

- Operating revenues along with State Share of Instruction (SSI) appropriations were $148.8 million versus prior fiscal year's $155.0 million, a 4.0 percent decrease versus a 2.3 percent decrease in fall to fall semester headcount. In addition, operating grant and contract revenues dropped from $16.0 million in fiscal year 2017 to $13.7 million in fiscal year 2018, a 14.4 percent decrease.

- Cash and investments of $357.2 million at June 30, 2018 were $223.5 million higher than the prior year $133.7 million largely due to the successful issuance of Facilities Construction and Improvement Bonds, Series 2018, a general obligation, unlimited tax debt.

- Long term liabilities increased $213.1 million from $424.2 million to $637.3 million as of June 30, 2018, a 50.2 percent increase.

- Capital assets increased $27.7 million through June 30, 2018 to $366.1 million over prior year $338.4 as the College continues investing in infrastructure and new technology.

- Revenues from State Capital Appropriations remains strong at $10.7 million with a 16.3 percent increase over the prior year $9.2 million. Revenues from the State are used for capital asset investment and infrastructure and deferred maintenance expenditures.

- Implementation of GASB 75 in the current fiscal year resulted in a restatement of net position in the prior year of $78.7 million to record the related retiree health care and other post-employment benefit (OPEB) liabilities as of June 30, 2017. The subsequent change for fiscal year 2018 in OPEB liability, along with associated deferred outflows and deferred inflows, reduced operating expense by $1.1 million.

- Favorable investment returns, changes in assumptions, benefit terms and lower activity versus expected activity for the measurement period in the State's pension systems resulted in reducing pension liabilities $83.4 million which reduced employee benefit expense by $35.3 million in fiscal year. The largest component of change was a change in benefit terms.

Fiscal Year 2017, prior year highlights

- The College's ODHE composite score, a measure of fiscal health, for fiscal year ended June 30, 2017 was 3.6 versus the 4.0 score of fiscal year 2016, still strong and above the College's target goal of 3.0 or greater.

- Operating revenues along with State SSI appropriations saw a marginal increase from $153.7 million in 2016 to $155.0 million in 2017, an increase of 0.8 percent. Student enrollment, at 23,900 in Fall 2017, remained relatively flat in comparing fall to fall enrollments.

- Property tax resources available to fund operations in fiscal year 2017 were $94.5 million versus $112.0 million in fiscal year 2016, a decrease of 15.6 percent.

- Revenues associated with State Capital Appropriations were $9.2 million and $3.6 million in fiscal years 2017 and 2016, a 155.6% increase.

- The College issued $5.2 million of its Certificates of Participation to refund $4.9 million of earlier debt.

Ohio Department of Higher Education Performance Metrics

The performance metrics established by the Ohio Department of Higher Education (ODHE) were developed to measure the financial health of colleges and universities. Though significant in terms of evaluating financial strength, the College also uses other financial and nonfinancial measures to guide its leadership team in driving desired outcomes such as student completion rates, time to degree, access, financial aid, efficiency measures, affordability improvements, and global impact among others.

With respect to ODHE performance metrics, three ratios are computed and weighted to provide an overall composite score of financial health. The composite score includes a viability ratio, primary reserve ratio and net income ratio. In comparison to last year's composite score of 3.6, the College's fiscal year 2018 composite score was 3.4 based on pre-GASB 68 and pre-GASB 75 calculations.

The composite score ranges from 0 to 5 with a score of 1.75 or under for two consecutive fiscal years resulting in an institution being placed on fiscal watch. A score of 5 indicates the highest degree of fiscal strength in each category. The College sets its internal targets for these ratios at 3.0, which exceed the State's minimum standard as an indicator of sound fiscal health.

Pre-GASB 68 & 75

College Performance Metrics

	Target	Pre-GASB 68 & 75 FY 2018	Pre-GASB 68 FY2017	Pre-GASB 68 FY2016
Viability Ratio	>60%	35.1%	101.0%	102.3%
Primary Reserve Ratio	>40%	39.7%	42.5%	46.8%
Net Income Ratio	2.0%-4.0%	4.0%	0.9%	3.6%
ODHE Composite Score	3.0	3.4	3.6	4.0
Debt Burden Ratio	<7%	6.8%	6.1%	6.3%
Debt Service Coverage Ratio	>2.6 x	2.0 x	1.8 x	2.2 x
Return on Net Position Ratio	>4.4%	3.8%	0.8%	3.4%

In fiscal year 2018, the College increased its debt burden with the issuance of $227.5 million of unlimited tax, general obligation bonds, as passed by the voters in Cuyahoga County in November 2017. The additional obligation has an effect on the viability and debt ratios and though the viability ratio target in fiscal year 2018 is below the College's target, the risk that the College will be unable to service its debt is minimal as these bonds carry an adjustable tax rate to minimize collection risk. This additional debt will primarily finance new capital assets (see Note 12 for additional details).

The table above reflects the ratios as calculated after removing the effect of GASB Statements No. 68 on Pensions and GASB 75 on Other Postemployment Benefits (OPEB). If not already familiar with the requirements of these Statements issued by the Government Accounting Standards Board, please see financial statement Notes 10 and 11. These two Statements added a heavy burden to the College's financial position and results of operations as a result of sharing in the state's public employees' pension and health benefit programs for retirees and prospective retirees. Aside from reflecting a proportionate share of liability, expense, deferred outflows and deferred inflows on the financial statements, the effect of these pronouncements subjects operating results to sometimes significant changes in associated expense as a result of changes in investment activity, changes in expected versus actual activity within the funds, changes in assumptions and benefit terms in arriving at actuarially determined liabilities and a change in the College's proportionate share. To put this in perspective, consider that the pension and OPEB adjustment for fiscal year 2018 was $36.4 million increase to the College's net position, compared to pension only adjustments of

$32.3 million unfavorable charge against net position in fiscal year 2017 and an $18.2 million charge in fiscal year 2016. Though liabilities, expense, deferred outflows and deferred inflows are presented in the College's statement of financial position and statement of revenues, expenses and net position, the additional proportionate share obligations are not enforceable as the College is limited by Ohio Revised Code as to the contributions required.

The after-implementation metrics (GASB 68 beginning in fiscal year 2015 and GASB 75 beginning in the current fiscal year) associated with the composite score calculations are shown in the following chart.

Post-GASB 68 & 75

College Performance Metrics

	Target	Post GASB 68 & 75 FY 2018	Post GASB 68 FY 2017	Post GASB 68 FY 2016
Viability Ratio	>60%	-38.5%	-74.9%	-41.5%
Primary Reserve Ratio	>40%	-52.0%	-29.6%	-20.5%
Net Income Ratio	2.0%-4.0%	19.5%	-5.5%	2.8%
Debt Burden Ratio	<7%	8.2%	5.6%	6.2%
Debt Service Coverage Ratio	>2.6 x	4.5 x	0.6 x	2.1 x
Return on Net Position Ratio	>4.4%	54.2%	-12.9%	7.2%

The performance metric ratios established by ODHE and their implication on the financial health of the College are explained below.

- **Viability Ratio:** Measures the financial health at a point in time. The ratio measures the availability of expendable net position to cover debt. The viability ratio is factored in at 30 percent of the composite score.
- **Primary Reserve Ratio:** Provides a snapshot of the financial strength and flexibility by indicating how long the College could function using its expendable reserves without relying on additional net position. The primary reserve ratio is weighted 50 percent in the computation of the composite score.
- **Net Income Ratio:** Measures the financial performance in a given year. The last component of the composite score in determining financial strength is the net income ratio, which represents 20 percent of the composite score.

In addition to the three ODHE performance metrics, the College calculates debt burden, debt service and return on net position ratios as additional metrics used to measure its financial performance. These ratios are recommended by the National Association of College and University Business Officers (NACUBO) and are set to achieve a Moody's A1 bond rating.

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

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

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

The College sets targets that are aggressive and designed to exceed minimum requirements. Not achieving targets is not a sign of financial weakness, but a reflection of the higher standards set by the College.

Net Position

The College's financial positon remains strong with total assets before deferred outflows of $873.7 million compared to $608.0 million at June 30, 2017. Capital assets at June 30, 2018 were just over $366.1 million and $27.7 million higher than the previous year as the College continues investing in its buildings and infrastructure. Deferred outflows includes recognition of OPEB related outflows of $7.2 million, a decrease in pension related outflows of $10.9 million and amortization of the deferred charge on refunding of $0.8 million. Total liabilities increased $229.4 million over the $479.0 million of fiscal year 2017 to $708.4 million. The most significant factor contributing to this increase is the general obligation bond debt.

Changes in net positon included an unfavorable $78.7 million adjustment to prior year ending net position as a result of the cumulative effect of the change in accounting principle related to GASB Statement No. 75, *Accounting and Financial Report for Postemployment Benefits Other Than Pensions*. Inclusive of the effect of the $78.8 million restatement, net position decreased from $114.2 million in 2017 to $97.4 million at June 30, 2018. Despite slightly lower operating revenues, activity during the year included $61.9 million net increase from operations of which $35.3 million and $1.1 million were due to the favorable effect of changes in pension and OPEB related expense respectively. Revenues from property taxes increased from $94.5 million in 2017 to $117.6 million in 2018, a 24.4 percent increase.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to Cuyahoga Community College's basic financial statements, which include financial statements prepared in accordance with the accrual basis of accounting and the notes to the basic financial statements. The annual financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements and*

Management's Discussion and Analysis for Public Colleges and Universities. In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which amends GASB Statement Nos. 39 and 14*, Determining Whether Certain Organizations are Component Units*, the Foundation qualifies as a discretely presented component unit of the College. The Foundation is included as a component unit because the fiscal dependency criteria apply to this not-for-profit fundraising organization, which operates exclusively for the benefit of Cuyahoga Community College. Additionally, Strengthening Opportunities for Success, Inc. (SOSI), a 501(c)(3) not-for-profit organization, with initial financial activity in fiscal year 2016, is included as a blended unit with cash and related revenues combined with the College accounts.

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

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

Statement of Net Position

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

Government Accounting Standards and the effect of GASB Pension and OPEB Liabilities

Government Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *other postemployment liability*. GASB 68 and GASB 75 both take an earnings approach to pension and postemployment accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the earnings approach, the GASB 68 and GASB 75 established the net pension and postemployment liability equal to the College's proportionate share of each plan's collective present value of estimated future pension and OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits. The College and its employees contribute to two of the State's multi-employer managed funds: the Ohio Public Employees Retirement System (OPERS) and/or the State Teacher's Retirement System (STRS).

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange." As such, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and/or postemployment benefit, GASB noted that the unfunded portion of this pension and OPEB promises are a present obligation of the government, part of the bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the College is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system and no control over the allocation of its contributions. In Ohio, there is no legal means to enforce the unfunded liability of the pension systems against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the College's statements prepared on an accrual basis of accounting include an annual pension expense and annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75 in this fiscal year, the College is reporting a net OPEB liability and deferred outflows and deferred inflows of resources related to OPEB on the accrual basis of accounting. This implementation had the effect of restating net position from $114.2 million to $35.5 million as of June 30, 2017. See disclosure Note 2 to the financial statements for additional details on the restatement.

Condensed Statement of Net Position
(in Thousands)

	2018	2017	2016
Assets			
Cash and investments	$357,201	$133,747	$132,836
Receivables	145,878	131,464	127,777
Other Noncapital Assets	4,520	4,371	4,437
Capital Assets, net	366,150	338,448	334,358
Total Assets	873,749	608,030	599,408
Deferred Outflows of Resources			
Pensions	58,080	69,004	43,472
OPEB	7,225	0	0
Deferred Charge on Refunding	8,187	8,969	9,449
Total Deferred Outflows of Resources	73,492	77,973	52,921
Total Assets and Deferred Outflows	947,241	686,003	652,329
Liabilities, Deferred Inflow of Resources and Net Position			
Current Liabilities	71,126	54,810	54,337
Non-current Pension	206,803	290,230	233,549
Non-current OPEB	78,830	1,096	1,058
Non-current Other Liabilities	351,648	132,861	145,096
Total Liabilities	708,407	478,997	434,040
Deferred Inflows of Resources			
Pensions	26,865	1,966	13,430
OPEB	7,074	0	0
Property Taxes	107,488	90,815	73,767
Total Deferred Inflows of Resources	141,427	92,781	87,197
Total Liabilities and Deferred Inflows	849,834	571,778	521,237
Net Position			
Net Investment in Capital Assets	230,094	209,165	193,448
Restricted for Other Purposes - Expendable	3,499	5,114	4,026
Unrestricted (Deficit)	(136,186)	(100,053)	(66,382)
Total Net Position	$97,407	$114,226	$131,092

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

Many end users will gain a clearer understanding of the College's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension and OPEB liabilities to the reported net position and subtracting deferred outflows related to pensions and OPEB.

Assets and Deferred Outflow of Resources

Cash and Investments: Together, cash and investments at June 30, 2018 totaled $357.2 million, or 167.1 percent higher than cash and investments of $133.7 million at June 30, 2017. The significant increase in 2018 was sourced from the general obligation bond proceeds (a $227.5 million levy passed in November 2017 by the voters in the community). Cash and investment increases over prior year financial statements were due to unspent proceeds from the 2018 general obligation bond issue.

Cash and investments of $133.7 million at June 30, 2017 differed only slightly from the $132.8 million at June 30, 2016.

Receivables: College receivables include property tax, student receivables on account, restricted receivables and receivables from the College's Foundation, a component unit. Property taxes available for operations increased $15.3 million to $123.2 million in fiscal year 2018 over the $107.9 million in fiscal year 2017. Accounts receivables are driven by student enrollment, financial aid subsidies, and student payment plans. Account receivables were $17.8 million versus the prior year $18.3 million. The decrease is associated with slightly lower enrollments as well as student delays in registering for summer and fall terms. Restricted receivables of $3.4 million together with component unit receivables of $1.4 million approximate the total restricted and component unit receivable from prior year of $5.2 million. Restricted receivables include monies due from federal, state or private grants.

In 2017, property tax receivable increased $4.2 million to $107.9 million, a 4.0 percent increase over the prior 2016 fiscal year-end balance of $103.7 million. The increase was attributed to improvement in the percentage of collectable taxes. Property taxes received from the County are based on actual collections when paid which is one year in arrears. Receivables are established using schedules received by the College from the County and are reported net of any estimated uncollectable or delinquent property taxes. Accounts and restricted receivables, including receivables from Component Unit at June 30, 2017 totaled $23.6 million and remained relatively flat with less than $0.5 million, or 2.0 percent decrease from June 30, 2016 receivables. Restricted and Component Unit receivables of $5.2 million at June 30, 2017 and $4.2 million at June 30, 2016, are primarily grant related.

Capital assets: In 2018, many construction and renovations projects are underway as reflected in the $27.7 million increase in capital assets as of June 30, 2018 over the prior year $338.4 million in assets, an 8.2 percent increase. The largest of these projects includes the Metropolitan Campus Center Renovation, also partially funded through State Capital authorized funding. Additional funding to expand the College's investments in its buildings and technology was provided through voter-approved unlimited tax general obligation bonds issued in March 2018. With regard to capitalized assets in fiscal year 2018, $49.0 million of cost has been incurred of which $20.9 million was placed in service and was subject to depreciation in fiscal year 2018.

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

Other Noncapital Assets: At June 30, 2018 other noncapital assets of $4.5 million included prepaid items such as payroll costs associated with the 2018 summer term of $3.2 million, net pension asset of $0.7 million, representing the College's share of the over-funded pension position in the OPERS combined plan, and other miscellaneous prepaid items of lesser significance.

Other noncapital assets at June 30, 2017 also included $3.2 million prepaid payroll costs associated with the 2017 summer enrollment and $0.5 million other prepaid items whereas other noncapital assets at June 30, 2016 included $2.7 million of prepaid payroll costs for summer 2016 term and $0.8 million of other prepaid items.

Deferred outflows of resources: As of June 30, 2018, deferred outflow of resources included the unamortized $8.2 million balance related to the deferred charge on refunding of long-term debt, deferred outflows on pensions of $58.1 million and the newly recognized deferred outflow of $7.2 million resulting from recording the College's proportionate share of OPEB-related liabilities, outflows, inflows and expense (GASB 75). In total, the deferred outflow of resources decreased $4.4 million or 5.7 percent from the previous year. Amortization will continue to reduce the deferred charge on refunding but the pension and OPEB outflows are subject to many variables beyond the College's control as these outflows are part of the State pension system's postemployment benefits. Additional detail on the components of deferred pension and OPEB outflows are presented in Notes 10 and 11 of the financial statements.

Deferred outflows included deferred charge on refunding of long-term debt of $9.0 million at June 30, 2017 as compared to $9.4 million at June 30, 2016. Deferred outflows associated with STRS and OPERS pension plans represent the College's proportionate share of the State's retirement plan deferred outflows (which includes changes in expected versus actual experience, changes in assumptions, and changes in investment performance) and College contributions subsequent to the net pension liability measurement date.

Liabilities and Deferred Inflow of Resources

Current liabilities: At June 30, 2018, total current liabilities were $71.1 million versus prior year's $54.8 million. The 29.8 percent increase of $16.3 million is largely attributable to the current portion of the general bond obligation ($15.2 million) which was a new debt issued in 2018 to finance numerous investments in College buildings, infrastructure and technology. Other variations include an increase in Accounts Payable of $3.8 million, also largely related to contractor invoices on these capital projects offset by decreases in capital lease obligations and unearned revenues of $1.9 million each.

At June 30, 2017 total current liabilities were $54.8 million, only slightly higher than the June 30, 2016 liabilities of $54.3 million. No significant variations were noted.

Noncurrent liabilities: As of June 30, 2018, the College's noncurrent liabilities increased $213.1 million to $637.3 million compared to June 30, 2017 noncurrent liabilities of $424.2 million, a 50.2 percent increase. The noncurrent portion of the newly issued general obligation bond debt, the Facilities Construction and Improvement Bonds, Series 2018, at June 30 was $227.6 million, which reflects a portion of the premium received on the issue. GASB 75's requirement to record $78.8 million of OPEB proportionate liability also negatively impacted College debt while market recovery, change in assumptions and benefit terms, and lower than expected actual activity within the pension funds reduced long term obligations by $83.4 million bringing the future actuarially calculated and College proportionate share of the liability to $206.8 million at June 30, 2018. Paying down existing debt on the College's noncurrent portion of general receipt bonds reduced the overall increase to long term liabilities by an additional $7.7 million.

In fiscal year 2017, long term liabilities increased $44.5 million from $379.7 million to $424.2 million primarily due to the increase in pension liabilities associated with proportionate recognition of state pension systems. This pension increase of $56.7 million was a 24.3 percent increase over the prior pension obligation of $233.5 million bringing the liability to $290.2 million as of June 30, 2017.

Deferred inflow of resources: At June 30, 2018, deferred inflows of resources were attributable to property taxes of $107.5 million as compared to $90.8 million at June 30, 2017 and pension and OPEB inflows of $26.9 million and $7.1 million, respectively, as compared to the prior year pension inflow of $2.0 million. The change in pension inflows is attributed to the change in the pension systems experience, assumptions and investment performance as well as the College's proportionate share. Other deferred inflows include property taxes for which an enforceable legal claim exists though $107.5 million represents the tax levied to finance the subsequent fiscal year and accordingly are not recognized as revenue in the current period.

Deferred inflow of resources were $92.8 million at June 30, 2017, an increase of $5.6 million (6.4 percent) over the $87.2 million at June 30, 2016. Property taxes make up the largest portion of the deferred inflows. Property taxes in deferred status were $90.8 million at June 30, 2017 and $73.8 million at June 30, 2016.

The 2017 inflows related to pensions was $2.0 million compared to $13.4 million at June 30, 2016. The components of the $11.4 million decrease include changes in expected versus actual experience, changes in assumptions, changes in investment performance and changes in the College's proportionate share.

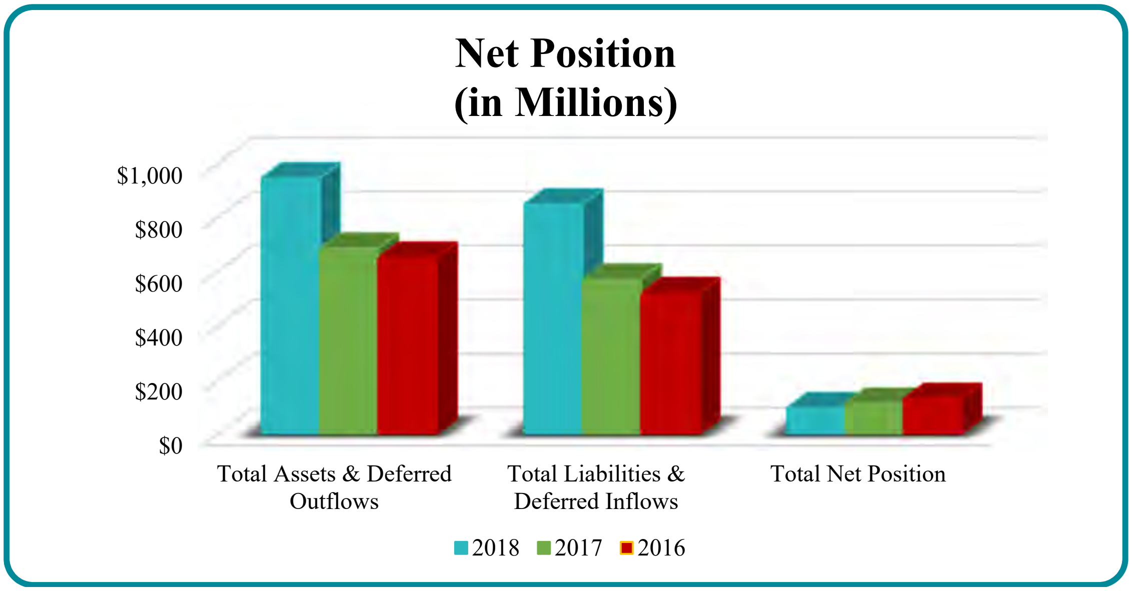
Net Position

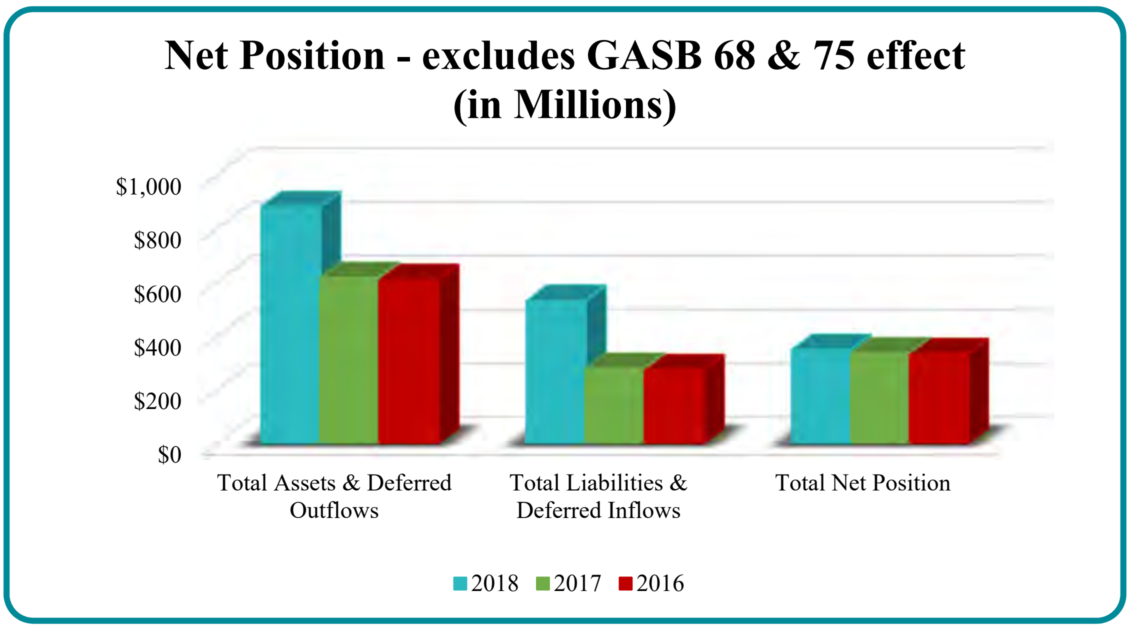
In 2018, the most significant change in net position is the restatement of prior year ending balance for the cumulative effect of a change in accounting principle as a result of implementing GASB Statement No. 75, *Accounting and Reporting for Other Postemployment Benefits Other Than Pensions.* The restatement reduced beginning net position from $114.2 million to $35.5 million, a reduction of $78.7 million or 68.9 percent. Net position at June 30, 2018 rose to $97.4 million largely as a result of favorable performance of the state pension plans corresponding to changes in benefit terms and its impact on the funded status of the plans.

The pension adjustments, based on actuarial data, changes in assumptions and benefit terms for the 2017 measurement year for STRS and OPERs, resulted in negative pension expense of $35.3 million and an additional negative OPEB expense of $1.1 million as a result of current year changes in GASB 75 OPEB obligations. This would account for a large part of the $61.9 million change, after restatement, in net positon for the fiscal year.

In the prior fiscal year ending June 30, 2017, net position decreased 12.9 percent from $131.1 million at June 30, 2016 to $114.2 million. The changes in pension benefits, contribution rates and return on investments affect the balance of the net pension liability, deferred outflows and deferred inflows and are outside of the control of the College. In 2017, the College's proportionate share of the state's pension systems expense was $32.3 million. There was no entry in fiscal year 2017 to record the effect of GASB 75 other than to recognize the cumulative effect of the change in accounting principle as an unfavorable charge against net position of $78.7 million by restating the ending net position.

The comparison of net position with and without the currently non-enforceable employer liabilities and expense associated with GASB 68 and 75 is best illustrated graphically as in the two charts presented on the subsequent page.





Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. As a public institution, the College is dependent on State assistance. This dependency contributes toward an operating deficit because the financial reporting model classifies State Appropriations and Property Taxes as non-operating revenues. Summarized revenues, expenses, and changes in net position for the years ended June 30, 2018 and 2017 are presented on the following table along with fiscal year 2016.

Changes in Net Position

(in Thousands)

	2018	2017	2016
Operating Revenues			
Net Tuition and Fees	$40,141	$43,107	$44,035
Grants and Contracts	13,740	16,043	15,503
Auxiliary Enterprises	12,751	14,135	15,555
Other	10,111	10,583	10,802
Total Operating Revenue	76,743	83,868	85,895
Operating Expenses			
Educational and General	215,202	280,372	260,673
Depreciation	21,280	23,186	23,891
Auxiliary Enterprises	11,509	12,416	13,517
Total Operating Expenses	247,991	315,974	298,081
Net Operating Loss	(171,248)	(232,106)	(212,186)
Non-operating Revenues (Expenses)			
State Appropriations	72,105	71,092	67,814
Property Taxes	117,641	94,495	111,972
Grants and Contracts	33,144	36,800	43,413
Investment Income, Net	6,822	8,919	(441)
Other Expenses, Net	(7,271)	(5,285)	(5,405)
Total Non-operating Revenues (Expenses)	222,441	206,021	217,353
Income (Loss) before State Capital Appropriations	51,193	(26,085)	5,167
State Capital Appropriations	10,678	9,219	3,614
Increase (Decrease) in Net Position	61,871	(16,866)	8,781
Net Position Beginning of Year	114,226	131,092	122,311
Cumulative Effect of Change in Accounting Principle[(1)]	(78,689)	0	0
Net Position Beginning of Year, as restated	35,536	131,092	122,311
Net Position End of Year	$97,407	$114,226	$131,092

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

[(1)] Change in Accounting Principle required a restatement of 2017 ending net position. See Note 2.

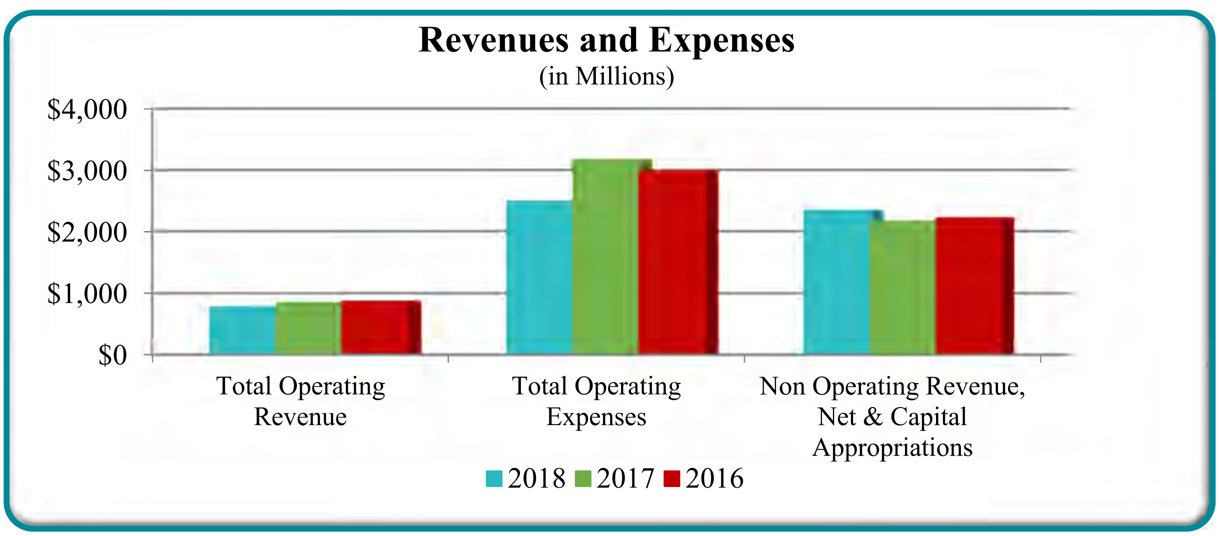
The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts due to the initial implementation of GASB 75 was not available. Therefore 2017 and 2016 expenses still include OPEB expense of $28,000 and $6,000, respectively, as computed under GASB 45. GASB 45 required recognizing other postemployment expense equal to the contractually required contributions to the plan. The College had no such contractual obligations but recorded adjustments to future liabilities based on actuarial data regarding eligible retirees.

Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred outflows and deferred inflows. The contractually required contribution is no longer a component of computing OPEB expense. Under GASB 75, the College's fiscal year 2018 financial statements report negative OPEB expense of $1,118,260 which encompassed all state-administered and College plans. In order to compare 2018 total operating expenses to 2017, the following adjustments are needed:

Total 2018 operating expenses under GASB 75	$247,991,010
Negative OPEB expense under GASB 75	1,118,260
2018 contractually required contribution	345,282
Adjusted 2018 operating expenses	249,454,552
Total 2017 operating expenses	315,974,549
Decrease in operating expenses not related to changes in OPEB reporting	($66,519,997)

Operating Revenues

For fiscal year 2018, operating revenues were at $76.7 million, 8.6 percent lower than the prior year $83.9 million. Student tuition and fees net of scholarship allowances was down $3.0 million, likewise revenues from private grants and contracts decreased $1.9 million and bookstore related operations likewise decreased $1.4 million compared to fiscal year ended June 30, 2017. In addition to student tuition and fees, other components of operating revenue include federal, state and local grants and contracts, auxiliary enterprises which include bookstore, food services and parking operations, and sales and service revenue which include revenues from partner and customized training, non-credit course fees, special event fees and fieldhouse/facility revenues. Other operating revenues are primarily facility rentals through Tri-C's Corporate College.



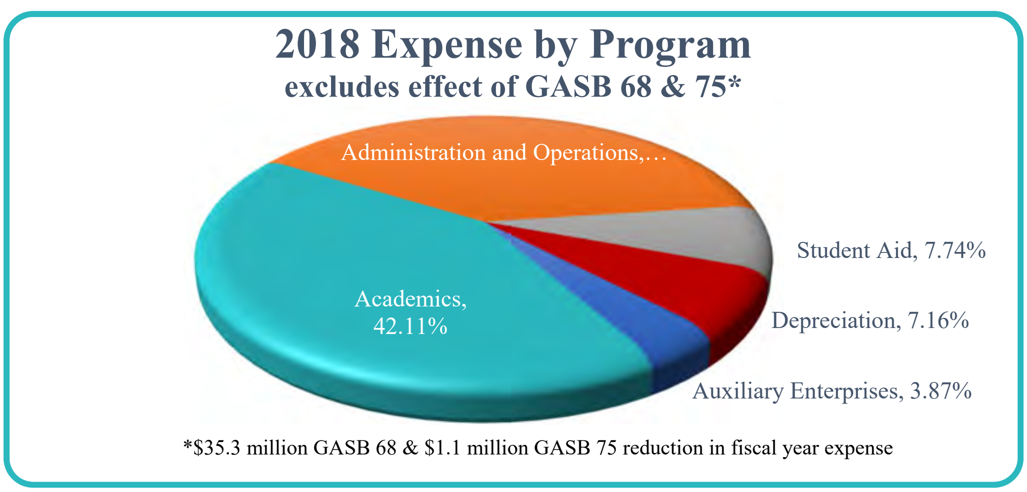
Operating revenues of $83.9 million for the fiscal year ended June 30, 2017 were $2.0 million or 2.4 percent lower than the $85.9 million of fiscal year ending June 30, 2016, a reflection of slightly lower enrollment in 2017 over 2016. Tuition, net of scholarship was $43.1 million in 2017 and $44.0 million in 2016. Revenues from federal and state resources of $9.8 million were $0.7 million lower in fiscal year 2017 than prior year. Grants and contracts from private institutions totaling $6.2 million offset this shortfall and surpassed the prior year private institution grants by $1.2 million.

Revenues associated with auxiliary enterprises and sales and service were 6.0 percent lower at $21.5 million in 2017 compared to $22.9 million in 2016. The decrease is associated with lower enrollments. In 2017, other operating revenue of $3.2 million included facility rentals primarily through Corporate College which were $2.8 million in fiscal year 2017 compared to $2.7 million in 2016.

Operating Expenses

In fiscal year ended June 30, 2018, total operating expenses of $248.0 million were significantly lower as a result of the $35.3 million negative pension expense and the $1.1 million negative OPEB expense. The reductions were spread across operating lines to account for the net decrease in expense related to changes in the College's proportionate share of pension and OPEB funding positions in the state retirement systems. Before adjusting for the impact of GASB 68 and GASB 75, operating expenses for fiscal year 2018 were $297.3 million. For comparability, total operating expenses for fiscal year 2017 were $283.7 million before adjusting for the $32.3 million GASB 68 pension expense. Total operating expenses inclusive of the unfavorable effect of GASB 68, as reflected in the Statement of Changes in Net Position in fiscal year 2017 was $316.0 million.

Aside from pension and OPEB adjustments, other reductions included $4.0 million less in student aid, $1.9 million less depreciation, and a $0.9 million decrease in offsetting bookstore expense. Operating expenses include academic and general administrative operation costs, depreciation expense and costs associated with auxiliary enterprises.



Operating expenses of $316.0 million for the fiscal year ended June 30, 2017 were $17.9 million higher than the prior fiscal year ended June 30, 2016. The increase was attributed primarily to distribution of the GASB 68 proportionate share of pension expense of $32.3 million encompassing both OPERS and STRS plans. The pension expense for fiscal year ended June 30, 2016 was $18.2 million.

Non-Operating Revenues

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

State share of instruction (SSI), the funding method developed by the State of Ohio in determining allocations of funds to school districts saw a marginal increase in appropriations (1.5 percent) during fiscal year 2018. SSI increased to $72.1 million from fiscal year 2017 revenues of $71.0 million.

Property tax revenues were up 24.4 percent for the year ended June 30, 2018 at $117.6 million over $94.5 million for the year ended June 30, 2017. An increase in delinquency collections and a corresponding decrease in the delinquency rate was one factor contributing to the increase. Tax abatements have a negative impact on total revenues over the abatement period granted. Though abatements increased just under $174,000 in 2018, the percentage increase was 27.9 percent. Additional details on tax abatements are presented in Note 9 to the financial statements.

Restricted and unrestricted investment income together was $2.1 million lower than the prior year, but still producing additional income. Interest on capital related debt increased 51.0 percent to $7.4 million from prior year's $4.9 million as expected because of the new debt issued in March of 2018.

Fiscal year 2017 non-operating revenues, net of expenses, were $206.0 million as compared to $217.4 million in fiscal year 2016. Property tax revenues in fiscal year 2017 were $94.5 million, $17.5 million (15.6 percent) lower than the prior year revenues of $112.0 million. Tax abatements, delinquency rates and urban flight may contribute to the negative effect on the College's resources.

State appropriations of $71.1 million based on the State Share of Instruction funding model represented an increase of $3.3 million (4.9 percent) over the prior year share of $67.8 million. State appropriations provided to the College increase as student success outcomes outlined in the funding model improved.

In fiscal year 2017, federal grants and contracts decreased $7.0 million from 2016's $43.4 million. All but $60,000 of the reduction in revenues was associated with reduced Pell grant awards due to slightly lower enrollments in spring and summer terms which was consistent with the prior year observations.

In 2017, net investment income, restricted and unrestricted together, was $8.9 million compared to net investment losses in 2016 of $0.4 million. Improvements are reflective of improvements in general markets and include recapture of unrealized losses previously recorded. Investments are adjusted to fair values or net asset values to reflect changes in investment valuation.

State Capital Appropriations

The majority of the funds over the past two years were appropriated to the Metropolitan Campus Center renovations and Phase 2 of the Public Safety Training Center. The College submits its annual request to the Ohio General Assembly (OGA) for capital funding of various projects. If approved and authorized, the College initiates the project and when ready, submits payment requests to the OGA. Payments are made on the College's behalf. As projects are underway, costs are tracked and capitalized upon completion if the expenditures meet the College capitalization policy. Depreciation, if applicable, is recorded once the asset is placed in use. The College requested State appropriations be applied to contractor/vendor payments on $10.7 million of capital and deferred maintenance projects for the fiscal period ended June 30, 2018 as compared with $9.2 million for the fiscal year 2017.

With many large construction projects underway in 2017, capital appropriations from the State of Ohio were $9.2 million compared to 2016 capital appropriations of $3.6 million. The 155.6 percent increase in funds allowed the College to continue structural improvements at the Metropolitan Campus as well as continue work on the Campus Center Swing Space and begin Phase 2 of the Public Safety Training Center. Appropriated funds were also used for basic renovations to buildings and grounds.

Capital Assets

After seeking and getting voter approval for its $227.5 million capital bond levy in November 2017, the College issued and sold its general obligation bonds in March 2018 to fund numerous capital projects that cross all of its major campus locations. Through June 30, 2018, capital assets increased $27.7 million as compared to $4.1 increase in 2017. Projects currently underway include the Metropolitan Campus Center, Phase 2 of the Westshore building expansion, the West Campus Science and Information Technology addition, Advanced Technology Training Center addition and renovation, Phase 2 of the Public Safety Training Center and the Transportation Innovation Center. At June 30, 2018 the balance in the construction in progress account was $44.9 million compared to June 30, 2017 balance of $16.8 million.

The College's net capital assets increased $4.1 million in fiscal year 2017 compared with the $1.7 million decrease in fiscal year 2016. With numerous construction projects underway, the College incurred $24.9 million in renovations and upgrades of which $13.3 million was placed in service on or before June 30, 2017. Projects included the Metropolitan Campus Center renovations and Swing Space, Science and Information Technology additions at the Western Campus and consolidation and upgrades at the Manufacturing Technology Center in addition to numerous smaller scale capital acquisitions. At June 30, 2017, the balance in construction in progress was $16.8 million.

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

	2018	2017	2016
Land	$24,104	$24,104	$24,104
Construction in Progress	44,908	16,847	5,287
Buildings	153,282	158,957	165,472
Building Improvements	118,092	112,775	110,129
Improvements other than Buildings	8,523	9,283	10,313
Library Books	704	729	667
Moveable Equipment	16,538	15,753	18,386
Total	$366,150	$338,448	$334,358

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

Long Term Obligations

The College's debt, which is all capital related, is comprised of 2009 Series C General Receipt Bonds (Aa2 rated Moody's Investor Services, AA- rated Standard and Poor's), 2012 Series D General Receipt Bonds (Aa2 rated Moody's Investor Services, AA- rated Standard and Poor's), 2016 Series E General Receipt Bonds (Aa2 rated Moody's Investor Services, AA- rated Standard and Poor's), 2009 Certificates of Participation (A+ rated Standard and Poor's), 2017 Certificates of Participation (unrated), newly issued Facilities Construction and Improvement Bonds, Series 2018, unlimited tax, general obligation bonds and capital lease obligations.

The 2009 Series C General Receipt Bonds were issued for the purpose of various construction projects and to retire Tax Anticipation Notes. The 2012 Series D General Receipt Bonds were issued to refund the 2002 Series A Bonds and secure a lower interest rate. Likewise the 2016 Series E General Receipt Bonds were issued to refund much of the Series C obligations including all of the Series C term bonds.

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

After receiving voter approval at the November 2017 election in favor of the College's capital bond levy, the College issued $227.5 million in Facilities Construction and Improvement Bonds, Series 2018, in March 2018. The bonds were issued for the purpose of paying all or a part of the costs of campus-wide acquisition, construction, renovations and equipping of facilities for the College's programs to provide training and education of northeast Ohio's workforce, repaying moneys previously borrowed, advanced or granted and expended for such purpose and repaying costs of issuance of the bonds.

Capital lease obligations continue to be paid down faster than acquiring new or replacing existing leases. Capital lease obligations at June 30, 2018 were $15.1 million compared to $17.9 million of outstanding lease commitments as of June 30, 2017 and $22.2 million at June 30, 2016. Capital leases currently in place are primarily for technology related software and equipment. Prior year leases pertained to energy efficiency improvements made to facilities in addition to information technology equipment acquisitions.

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

	2018	**2017**	**2016**
Capital Leases	$15,088	$17,886	$22,221
General Receipt Bonds	107,133	114,488	121,839
Certificates of Participation	5,103	5,878	6,299
General Obligation Bonds	242,869	0	0
Net Pension Liability	206,803	290,230	233,549
Net OPEB Liability	78,886	1,164	1,136
Compensated Absences	8,554	8,026	7,729
Claims and Other Liabilities	2,545	2,462	2,225
Total	$666,981	$440,134	$394,998

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

ECONOMIC FACTORS THAT AFFECT THE FUTURE

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

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

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Net Position
June 30, 2018 and 2017

	2018	2017
Current Assets:		
Cash and Cash Equivalents (Note 3)	$19,285,707	$23,286,007
Investments (Note 3)	63,849,023	69,009,465
Property Taxes Receivable (Note 9)	123,177,815	107,914,034
Accounts Receivables, Net (Note 6)	17,848,832	18,315,389
Restricted Receivables (Note 6)	3,446,119	2,297,114
Receivable from Component Unit (Note 6)	1,404,754	2,937,540
Other Assets (Note 6)	3,829,696	4,076,864
Total Current Assets	232,841,946	227,836,413
Noncurrent Assets:		
Restricted Cash and Cash Equivalents (Note 1)	147,545,598	346,343
Restricted Investments (Note 3)	86,655,234	0
Investments (Note 3)	39,865,145	41,105,095
Other Assets (Note 6)	38,339	34,252
Capital Assets, Not Being Depreciated (Note 5)	69,012,296	40,950,721
Capital Assets, Net of Depreciation (Note 5)	297,138,177	297,497,449
Net Pension Asset (Note 10)	651,943	260,208
Total Noncurrent Assets	640,906,732	380,194,068
Total Assets	873,748,678	608,030,481
Deferred Outflow of Resources:		
Deferred Charge on Refunding (Note 1)	8,187,285	8,969,170
Pensions (Note 10)	58,080,105	69,004,014
Other Post-Employment Benefits (Note 11)	7,224,991	0
Total Deferred Outflow of Resources	73,492,381	77,973,184
Current Liabilities:		
Accounts Payable and Accrued Liabilities (Note 8)	21,528,872	17,775,254
Liabilities Payable from Restricted Assets (Note 8)	994,492	282,785
Payable to Component Unit (Note 8)	40,013	54,005
Unearned Revenue (Note 1)	18,862,279	20,751,412
Capital Lease Obligations - current portion (Note 13)	3,862,414	5,798,108
General Receipt Bonds - current portion (Note 12)	6,635,000	6,330,000
Certificates of Participation - current portion (Note 12)	803,000	777,000
General Obligation Bonds - current portion (Note 12)	15,240,000	0
Claims and Other Liabilities - current portion (Note 12, 15)	2,019,164	1,955,839
Other Post-Employment Benefits - current portion (Note 11)	56,000	68,000
Compensated Absences - current portion (Note 14)	1,084,527	1,017,531
Total Current Liabilities	$71,125,761	$54,809,934

(continued)

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Net Position (continued)
June 30, 2018 and 2017

	2018	2017
Noncurrent Liabilities:		
Capital Lease Obligations (Note 13)	$11,225,307	$12,087,721
General Receipt Bonds (Note 12)	100,498,025	108,158,411
Certificates of Participation (Note 12)	4,300,000	5,101,348
General Obligation Bonds (Note 12)	227,629,186	0
Claims and Other Liabilities (Note 12, 15)	525,577	505,858
Net Pension Liability (Note 10)	206,803,265	290,229,795
Other Post-Employment Benefits (Note 11)	78,829,796	1,096,000
Compensated Absences (Note 14)	7,469,693	7,008,260
Total Noncurrent Liabilities	637,280,849	424,187,393
Total Liabilities	708,406,610	478,997,327
Deferred Inflow of Resources:		
Property Taxes (Note 9)	107,487,702	90,814,641
Pension (Note 10)	26,865,412	1,966,134
Other Post-Employment Benefits (Note 11)	7,073,872	0
Total Deferred Inflow of Resources	141,426,986	92,780,775
Net Position:		
Net Investment in Capital Assets	230,093,607	209,164,752
Restricted for Other Purposes:		
Expendable:		
Scholarships and Fellowships	3,415,094	5,041,116
Student Loans	79,171	63,014
Instructional/Departmental Uses	4,994	9,653
Total Restricted	3,499,259	5,113,783
Unrestricted (Deficit)	(136,185,403)	(100,052,972)
Total Net Position	$97,407,463	$114,225,563

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Net Assets
Component Unit
June 30, 2018 and 2017

	2018 CCC Foundation	2017 CCC Foundation
Assets:		
Cash and Cash Equivalents (Note 18)	$3,016,704	$4,836,423
Investments (Note 18)	73,823,980	66,412,700
Receivables: (Note 18)		
Interest	16,717	6,479
Pledges, Net	3,626,305	4,667,611
Due from Related Party	40,013	54,005
Beneficial Interest in Remainder Trust (Note 18)	417,695	458,438
Cash Surrender Value of Insurance (Note 18)	137,785	141,780
Prepaid Expenses	56,000	75,500
Other Assets	125,000	125,000
Total Assets	81,260,199	76,777,936
Liabilities:		
Due to Related Party (Note 18)	1,404,754	2,937,540
Accounts Payable (Note 18)	30,276	75,500
Annuities Payable (Note 18)	11,742	16,033
Total Liabilities	1,446,772	3,029,073
Net Assets:		
Restricted:		
Permanently (Note 18)	14,870,249	14,537,160
Temporarily (Note 18)	64,515,061	58,907,285
Unrestricted	428,117	304,418
Total Net Assets	$79,813,427	$73,748,863

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2018 and 2017

	2018	2017
Operating Revenues:		
Student Tuition and Fees (Net of scholarship allowances of $13,750,872 in 2018 and $13,189,238 in 2017)	$40,141,032	$43,107,453
Federal Grants and Contracts	8,195,929	8,436,540
State & Local Grants and Contracts	1,181,671	1,361,892
Private Grants and Contracts	4,362,251	6,244,201
Sales and Services	6,941,087	7,390,673
Auxiliary Enterprises	12,750,623	14,134,692
Other Operating Revenues	3,170,057	3,192,619
Total Operating Revenues	76,742,650	83,868,070
Operating Expenses:		
Educational and General:		
Instruction and Departmental Research	47,281,363	96,971,878
Public Service	14,484,703	14,292,422
Academic Support	13,729,002	29,034,828
Student Services	26,659,865	26,374,858
Institutional Support	57,244,438	54,386,047
Operation and Maintenance of Plant	32,808,255	32,340,254
Student Aid	22,994,359	26,971,727
Depreciation	21,279,679	23,186,257
Auxiliary Enterprises	11,509,346	12,416,278
Total Operating Expenses	247,991,010	315,974,549
Operating Loss	(171,248,360)	(232,106,479)
Non-Operating Revenues (Expenses):		
State Appropriations	72,105,415	71,092,363
Property Taxes	117,641,043	94,494,668
Federal Grants and Contracts	32,539,675	36,205,179
State Grants and Contracts	604,757	594,785
Unrestricted Investment Income (Net of Investment Expenses of $70,329 in 2018 and $77,662 in 2017)	5,472,374	8,897,352
Restricted Investment Income, (Net of Investment Expenses of $203 in 2018 and $0 in 2017)	1,349,779	22,189
Interest on Capital Debt	(7,350,558)	(4,901,907)
Other Revenues (Expenses), Net	78,688	(383,548)
Total Non-Operating Revenues (Expenses)	222,441,173	206,021,081
Income (Loss) Before State Capital Appropriations	51,192,813	(26,085,398)
State Capital Appropriations	10,678,024	9,219,212
Changes in Net Position	61,870,837	(16,866,186)
Net Position Beginning of Year	114,225,563	131,091,749
Cumulative Effect of Change in Accounting Principle (Note 2)	(78,688,937)	0
Net Position Beginning of Year- 2018 Restated (See Note 2)	35,536,626	131,091,749
Net Position End of Year	$97,407,463	$114,225,563

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Revenues, Expenses, and Changes in Net Assets
Component Unit
For the Fiscal Years Ended June 30, 2018 and 2017

	2018 CCC Foundation	2017 CCC Foundation
Operating Revenues:		
Contributions and Grants	$5,317,221	$7,541,175
Special Events Revenue	1,810,683	1,708,566
Total Operating Revenues	7,127,904	9,249,741
Operating Expenses:		
Educational and General:		
Institutional Support	3,397,985	5,629,138
Student Aid	2,144,806	1,576,354
Total Operating Expenses	5,542,791	7,205,492
Operating Income	1,585,113	2,044,249
Non-Operating Revenues (Expenses):		
Investment Income (Loss)	4,479,451	7,938,134
Total Non-Operating Revenues (Expenses)	4,479,451	7,938,134
Change in Net Assets	6,064,564	9,982,383
Net Assets Beginning of Year	73,748,863	63,766,480
Net Assets End of Year	$79,813,427	$73,748,863

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

Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2018 and 2017

	2018	2017
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities:		
Student Tuition and Fees	$39,712,845	$43,052,975
Grants and Contracts	29,486,185	34,767,282
Sales and Services	10,132,584	10,560,130
Auxiliary Enterprises	12,894,946	14,144,286
Other Receipts	33,577	32,429
Employee and Related Payments	(185,005,214)	(180,363,069)
Supplier and Vendor Payments	(69,181,013)	(63,378,497)
Payments for Scholarships and Student Aid	(38,924,596)	(47,476,274)
Other Disbursements	(93,505)	(372,797)
Net cash used for operating activities	(200,944,191)	(189,033,535)
Cash Flows from Noncapital Financing Activities:		
Property Tax Receipts	119,050,323	107,364,965
State Appropriations	72,105,415	71,092,363
Grants and Contracts	33,144,909	36,922,091
Net cash provided by noncapital financing activities	224,300,647	215,379,419
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Capital Debt, Notes and Leases	230,500,000	6,448,000
Premium from Capital Debt	15,579,003	0
Proceeds from Sale of Capital Assets	45,111	45,937
Purchases of Capital Assets	(32,700,161)	(17,963,206)
Principal paid on Capital Debt, Notes and Leases	(12,905,108)	(12,623,425)
Payment to Escrow on Refunded Debt	0	(5,183,927)
Interest Paid on Capital Debt, Notes and Leases	(7,218,511)	(5,087,089)
Net cash provided by (used for) capital and related financing activities	193,300,334	(34,363,710)
Cash Flows from Investing Activities:		
Proceeds from Sales and Maturities of Investments	43,432,734	22,442,471
Purchases of Investments	(121,069,324)	(19,471,211)
Investment Income	4,178,755	2,221,708
Net cash (used for) provided by investing activities	(73,457,837)	5,192,968
Net Increase (Decrease) in Cash and Cash Equivalents	143,198,955	(2,824,858)
Cash and Cash Equivalents - beginning of year	23,632,350	26,457,208
Cash and Cash Equivalents - end of year	$166,831,305	$23,632,350

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Cuyahoga Community College
Cuyahoga County, Ohio
Statements of Cash Flows *(continued)*
For the Fiscal Years Ended June 30, 2018 and 2017

	2018	2017
Reconciliation of Operating Loss to Net Cash		
Used for Operating Activities:		
Operating Loss	($171,248,360)	($232,106,479)
Adjustments:		
Depreciation expense	21,279,679	23,186,257
(Increase) Decrease in Assets:		
Receivables, net	776,855	446,066
Other Assets	247,168	(216,374)
Increase in Net Pension Asset	(116,935)	(42,721)
Decrease in Deferred Outflows - Pensions	19,687,026	16,874,083
Decrease in Deferred Outflows - OPEB	3,426,962	0
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	(1,608,537)	1,091,736
Unearned Revenue	(1,889,133)	(1,658,505)
Net Pension Liability	(60,802,443)	4,294,558
Net OPEB Liability	(2,915,880)	0
Compensated Absences	528,429	297,249
Claims and Other Liabilities	83,044	264,792
Decrease in Deferred Inflows - Pensions	(6,762,724)	(1,464,197)
Decrease in Deferred Inflows - OPEB	(1,629,342)	0
Net cash used for operating activities	($200,944,191)	($189,033,535)
Reconciliation of Cash and Cash Equivalents		
to the Statement of Net Position:		
Cash and Cash Equivalents	$19,285,707	$23,286,007
Restricted Cash and Cash Equivalents-Noncurrent	147,545,598	346,343
Total Cash and Cash Equivalents at Year End	$166,831,305	$23,632,350
Non-Cash Activities:		
State capital projects paid directly to vendors on College behalf	$10,678,024	$9,219,212
Unrealized gain on investments	627,068	5,458,004
Amortization of bond premium and deferred loss on refunding	(451,666)	(267,479)
Capital assets purchased on credit	5,603,797	195,267

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

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

Investment in Blended Component Unit

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

Basis of Presentation

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

Reclassifications – Certain reclassifications of 2017 amounts were made to conform with the 2018 presentation. The reclassifications had no effect on Net Position or Changes in Net Position.

Changes in accounting principles require retrospective application in comparative statements. In fiscal year 2018, the College implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which required a restatement to fiscal year 2017 ending Net Position, see Note 2.

Basis of Accounting

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

Non-exchange transactions, in which the College receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 9). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

Unearned Revenue – Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met because the amounts have not yet been earned. The College recognizes unearned revenue for student fees and rentals associated with summer and fall registrations in the subsequent fiscal year. Any grants and entitlements received before time requirements are met, despite meeting all other eligibility requirements, are recognized as unearned revenue until the point in time when all requirements are met.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position, similar to prepaid expenses that apply to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the College, deferred outflows of resources include a deferred charge on refunding College debt and for future pension and other postemployment benefit (OPEB) obligations. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pensions and OPEB plans are explained respectively in Note 10 and Note 11.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the College, deferred inflows of resources include property taxes and may include changes in net pension and net OPEB obligations. Property taxes, here, represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on the statement of net position. The deferred inflows of resources related to pensions and OPEB are explained respectively in Note 10 and Note 11.

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

Pensions – For purposes of measuring net pension liability, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the state pension systems (Ohio Public Employees Retirement System, State Teachers Retirement System). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value. Additional details on the pension systems are provided in Note 10.

Other Postemployment Benefits (OPEB) – For purposes of measuring net OPEB liability, deferred outflow of resources and deferred inflow of resources related to other post-employment benefits and related OPEB expense, information about the fiduciary net position of the OPEB plans and additions to and/or deductions from their fiduciary net position have been determined on the same basis as they are reported by the state benefit systems (Ohio Public Employees Retirement System, State Teachers Retirement System). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension and OPEB benefit systems report investments at fair value. Additional details on OPEB are provided in Note 11.

Cash Equivalents - During fiscal year 2018, the College invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio, is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants.* The College measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

Investments – Investments are stated at fair value using published market quotations if they fall within the fair value hierarchy established by generally accepted accounting principles. Investments that do not have readily obtainable market value are considered "alternative investments" and are valued using the net asset value per share or its equivalent (see Note 3). The College does not invest in derivatives. Investments with maturities of less than one year are considered short-term.

Capital Assets – Land, buildings and equipment are recorded at cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. Building improvements and improvements other than buildings are recorded at the aggregate cost of the construction of the improvement. Library books are purchased and recorded as a composite group of similar assets according to the limits below. When capital assets are sold or otherwise disposed of, the carrying value of such assets and any accumulated depreciation are removed from the statement of net position. All depreciation is calculated using the straight-line method over the estimated useful life of the asset and is presented as a separate functional expense category. Expenditures for construction in progress are capitalized as incurred. For fiscal years 2018 and 2017, total interest incurred amounted to $7,350,558 and $4,901,907 of which no portion of either year was capitalized. The College implemented Governmental Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* in fiscal year 2018. Prior to this implementation date, interest expense relating to construction was capitalized net of interest income earned on resources set aside for this purpose.

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

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

Compensated Absences – Vacation benefits are accrued as a liability as benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the College will compensate the employees for the benefits through paid time off or some other means. In accordance with the College's vacation policy, the College recorded the associated liability for accumulated unused vacation for full-time, non-faculty employees subject to the specified 30 day cap for earned vacation time as of June 30, 2018. Vacation benefits are expected to be paid out at the time the employee leaves the full-time employ of the College, or permanently transfers to a faculty position.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the College has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end, taking into consideration any limits in the College's termination policy. The College recorded the associated liability for accumulated unused sick leave, up to the maximum carryforward of 180 days, for employees based on qualifying service with the College and/or age as of June 30, 2018. Payout of earned sick leave benefits is limited to 30 days at resignation or 45 days at retirement in accordance with the College's policy.

Net Position Classifications:

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

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

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

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

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

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

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

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

Restricted Cash and Cash Equivalents – Cash and cash equivalents subject to restricted purpose at June 30, 2018 included $147,481,799 of unspent general obligation bond proceeds and $63,799 held in escrow for capital lease obligations. Cash and cash equivalents restricted for Federal NDSL Perkins Student Loans at June 30, 2017 was $346,343 which has since been liquidated.

Restricted Investments **-** In fiscal year 2018, restricted investments with maturities in excess of 90 days were $86,655,234. These investments represent 2018 general obligation bond proceeds which are designated for facilities and capital improvements. There were no restricted investments in fiscal year 2017. (See Notes 3 and Note 12 for additional information on restrictions and this bond issue.)

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

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

New Accounting Pronouncements **-** In fiscal year 2018, the College implemented or is in the process of evaluating implementation of the following Governmental Accounting Standards and Implementation Guides issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* improves information provided by state and local governmental employers about financial support for other postemployment benefits that are provided by the College or other entities. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. The requirements of this standard of requiring recognition of the unfunded liability of the state's other postemployment benefits (health care) and the College's postemployment benefits (retiree death benefits) resulted in an adjustment of the preceding year's net position (Note 2).

GASB Statement No. 81*, Irrevocable Split-Interest Agreements,* issued in March 2016, this statement seeks to improve accounting and financial reporting for irrevocable split-interest agreements created through trusts or other legally enforceable agreements whereby a donor irrevocably transfers resources to an intermediary. The intermediary administers these resources for the unconditional benefit of a government and at least one other beneficiary. The pronouncement provides recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement are effective for periods beginning after December 15, 2016. The College is not a beneficiary of any irrevocable split-interest agreements and thus implementation of this standard has had no effect on the College's financial statements or disclosures.

GASB Statement No. 85, *Omnibus 2017*, issued in March 2017 addresses practice issues that been identified during implementation and application of certain GASB statements. Topics include issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB). The effective date for this standard is reporting periods beginning after June 15, 2017. Aside from the effect of recognizing OPEB liabilities previously mentioned as part of GASB Statement No. 75, implementation of this pronouncement did not result in any additional changes to the College's financial statements or disclosures.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, was issued in May 2017 with the intent of improving consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions involved in the extinguishment of debt including, prepaid insurance and note disclosures for in-substance defeasance of debt. The effective date for this standard is reporting periods beginning after June 15, 2017. Implementation of this pronouncement did not result in any additional changes to the College's financial statements or disclosures for fiscal years ending June 30, 2017 or June 30, 2018.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* issued in June 2018, establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period by simplifying accounting for interest cost incurred before the end of a construction period. The effective date for this standard is reporting periods beginning after December 15, 2019. The College has elected to adopt and implement this standard effective with the current financial reporting period. The College continues to updates its facilities and interest costs incurred during construction phases were recognized as an expense in the period incurred in accordance with this standard.

GASB Implementation Guide No. 2017-1, *Implementation Guidance Update – 2017.* Issued in April 2017, the objective of this implementation guide is to provide guidance that clarifies, explains or elaborates on the requirements on GASB Statements. The guidance provided through this update were incorporated in the College's fiscal year 2018 financial statements with no effect on beginning net position or fund balance.

GASB Implementation Guide No. 2017-2, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* Issued in April 2017, the objective of this implementation guide is to provide guidance that clarifies, explains or elaborates on the requirements of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended. These changes were incorporated in the College's fiscal year 2018 financial statements; however, there was no effect on beginning net position or fund balance.

GASB Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).* Issued in November 2017, the objective of this implementation guide is to provide guidance that clarifies, explains or elaborates on the requirements of Statement No. 75, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended and Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended.* These changes were incorporated in the College's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statements and guidance to be implemented in future reporting periods include the following:

GASB Statement No. 84, *Fiduciary Activities*, issued in January 2017, this pronouncement was issued with the intent of improving guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Activities meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This pronouncement is effective for reporting periods beginning after December 15, 2018. The College has not determined the impact that this Statement will have on its financial statements and disclosures.

GASB Statement No. 87, *Leases*, issued in June 2017, the primary objective of this statement is to increase the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use leased asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. The effective date of this standard is reporting periods beginning after December 15, 2019. The College is currently evaluating the effect this Statement may have on the College's statements with initial implementation planned for fiscal year 2020.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* issued in April 2018 and effective for periods beginning after June 15, 2018, this pronouncement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. Information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed thus providing users with better information to understand the effects of debt on a government's future resource flows. The College intends to implement this standard in fiscal year 2019 and is evaluating the effect this Statement may have on the College's statements and disclosure requirements.

Subsequent Events

In preparing these financial statements, the College has evaluated events and transactions for potential recognition or disclosure through November 29, 2018, the date the financial statements were available to be issued. At this time, the College has no additional disclosures to make.

Note 2 – Change in Accounting Principle

For fiscal year 2018, the College implemented Governmental Accounting Standards Board, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* GASB Statement No. 85, *Omnibus 2017*, and related guidance from GASB Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).*

GASB 75 established standards for measuring and recognizing postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on beginning net position as reported as of June 30, 2017:

Net Position June 30, 2017	$114,225,563
Adjustments:	
Net OPEB Liability	(79,034,219)
Deferred Outflow - Payments Subsequent to Measurement Date	345,282
Restated Net Position June 30, 2017	$35,536,626

Other than employer contributions subsequent to the measurement date, the College made no adjustments for deferred outflows or deferred inflows of resources from the state retirement plans for the prior year as the relevant information was not available. As the College has chosen to present comparative financial statements and corresponding footnotes, certain financial items, related disclosure notes and required supplementary information (RSI) pertaining to postemployment benefits were not restated for fiscal year ended June 30, 2017 but are presented in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (see Note 11 and RSI). OPEB recognized in previous years included the College's Retiree Death Benefit plan.

Note 3 – Deposits and Investments

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

Deposits – Custodial credit risk is the risk that in the event of a bank failure, the College will be unable to recover the value of deposits or collateral securities that are in the possession of an outside party. At June 30, 2018, $569,011 of the College's total bank balances of $4,207,717 was exposed to custodial credit risk because these deposits were uninsured or uncollateralized. The remainder, $3,638,706, was covered by federal depository insurance.

The College has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

> Eligible securities pledged to the College and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
>
> Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The College's financial depository institutions participate in the Ohio Pooled Collateral System (OPCS) which were approved for reduced collateral floors of 50 percent.

For prior fiscal year ended June 30, 2017, $840,938 of the total bank balances of $2,985,548 were covered by federal depository insurance. The remaining balances totaling $2,144,610 were covered by pledged securities and were held by the financial institutions' trust department or agent in the name of the College.

Although collateral securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the College to a successful claim by the FDIC.

Accumulated cash deposits of $45,018 from the 501(c)(3) blended entity, Strengthening Opportunities for Success, Inc. (SOSI) is included in the bank balance and other operating revenues of the financial statements at June 30, 2018. Cash deposits for SOSI were $273,746 at June 30, 2017. In 2018, $315,000 of non-negotiable certificates of deposit related to SOSI, of which $65,000 is uninsured, remains invested until maturity in March 2019.

The College's investment policy is governed by State statutes (ORC 3345.05) and authorizes the College to invest in securities of the U.S. government or one of its agencies or instrumentalities, the Treasurer of State's pooled investment program (STAR Ohio), obligations of this State or any of its political subdivisions, certificates of deposit of any national bank located in Ohio, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, bankers acceptances which are eligible for repurchase by the federal reserve system as a reserve, other equity mutual fund investments, and various fixed income investments.

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

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

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

Negotiable certificates of deposit held at various financial institutions amounted to $6,315,907 and $2,749,999 at June 30, 2018 and 2017, respectively. These negotiable instruments, though considered investments and subject to fair value hierarchy classifications, were insured by the FDIC up to $6,315,867 and $2,641,026 as of those dates. The $40 and $108,973 balances not covered by FDIC insurance at June 30, 2018 and 2017, respectively, were covered by pledged securities held by the financial institution's trust department or agent in the name of the College.

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

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

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

The chart below identifies the College's recurring fair value measurements as of June 30, 2018:

Investments by Fair Value Level

	Level 1	Level 2	Level 3	Value
Equity Mutual Funds	$44,422,976	$0	$0	$44,422,976
Bond Mutual Funds	17,678,824	0	0	17,678,824
Corporate Bonds	0	61,181,453	0	61,181,453
U.S. Treasury Notes	0	25,283,141	0	25,283,141
U.S. Agency Securities	0	27,366,809	0	27,366,809
Negotiable Certificates of Deposit	0	6,315,907	0	6,315,907
Asset Backed Securities	0	1,165,083	0	1,165,083
Municipal Bonds	0	102,261	0	102,261
Investments measured at Fair Value	$62,101,800	$121,414,654	$0	$183,516,454

Investments Measured at the Net Asset Value (NAV)

	Unfunded Commitments	Redemption Notice Period	Value	
Alternative Investments Institutional, L.P.	0	90 days	$149,527	
Standard Life Investments Global Absolute Return Strategies	0	5 to 30 days	2,738,193	
Weatherlow Offshore Fund I Ltd.	0	65 days	3,650,228	
Investments measured at Net Asset Value				6,537,948
Total Fair Value & Net Asset Value Investments				190,054,402
Deposits Reported as Investments, Non-negotiable Certificates of Deposit				315,000
Total Investments				$190,369,402

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

Investments by Fair Value Level

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

Investments Measured at the Net Asset Value (NAV)

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

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

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

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

The following comparative tables show the remaining time to maturity of the College's investments as of June 30, 2018 and 2017:

	2018			
	Six Months and Less	More Than Six Months, Less Than One Year	More Than One Year	Total
STAR Ohio*	$127,097,226	$0	$0	$127,097,226
Money Markets*	37,713,458	0	0	37,713,458
Equity Mutual Funds	44,422,976	0	0	44,422,976
Bond Mutual Funds	17,678,824	0	0	17,678,824
Corporate Bonds	2,147,054	1,545,326	57,489,073	61,181,453
U.S. Treasury Notes	897,464	406,439	23,979,238	25,283,141
U.S. Agency Securities	498,665	498,105	26,370,039	27,366,809
Negotiable Certificates of Deposit	0	0	6,315,907	6,315,907
Asset Backed Securities	0	4,317	1,160,766	1,165,083
Municipal Bonds	0	0	102,261	102,261
Alternative Investments	6,537,948	0	0	6,537,948
	$236,993,615	$2,454,187	$115,417,284	$354,865,086

***Investments with original maturities less than 90 days are included in Cash and Cash Equivalents.**

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

*** Investments with original maturities less than 90 days are included in Cash and Cash Equivalents.**

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

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

Investment	Rating Agency	Amount	2018 Rating
STAR Ohio	S&P	$127,097,226	AAAm
Money Markets	S&P	37,713,458	AAAm
U.S. Agency Securities	Moody's	27,366,809	Aaa
Corporate Bonds	Moody's	15,252,525	Aaa to Aa3
Corporate Bonds	Moody's	41,902,201	A1 to A3
Corporate Bonds	Moody's	3,175,227	Baa1 to Baa2
Corporate Bonds	Not Rated	851,500	Not Rated
Municipal Bonds	Moody's	102,261	Aa2 to A2
Bond Mutual Funds	Morningstar	11,271,523	4 Star
Bond Mutual Funds	Morningstar	6,407,301	3 Star
Asset Backed Securities	Moody's	700,561	Aaa
Asset Backed Securities	Moody's	464,522	Not Rated

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

Concentration of Credit Risk – The College's investment policy requires the portfolio to be diversified. The College's allocations at June 30, 2018 and June 30, 2017 are as follows:

Investment Portfolio	2018	2017
STAR Ohio	35.82 %	15.30 %
Corporate Bonds	17.24	13.97
Equity Mutual Funds	12.52	36.94
Money Markets	10.63	1.49
U.S. Agency Securities	7.71	2.85
U.S. Treasury Notes	7.12	3.84
Bond Mutual Funds	4.98	15.21
Alternative Investments	1.84	6.93
Asset Backed Securities	1.78	0.65
Certificates of Deposit	0.33	2.08
Municipal Bonds	0.03	0.74
	100.00 %	100.00 %

Note 4 – State Appropriations

The College is a State-assisted institution of higher education that receives a student-based subsidy from the State of Ohio. This subsidy is determined annually based upon the State Share of Instruction (SSI) formula, an outcomes-based approach, instituted by the State of Ohio. The College received $72,105,415 of student-based subsidy in fiscal year 2018 compared with 2017 receipts of $71,092,363.

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

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

Note 5 – Capital Assets

At the start of fiscal year 2018, the College had sixteen active capital and construction projects in progress which totaled $16,847,027. During fiscal year 2018, the College incurred additional construction in progress expenditures of $43,714,092. Of these construction in progress expenditures, $15,652,517 was placed in service during the current fiscal year leaving a balance of $44,908,602 at June 30, 2018. Projects still underway at fiscal year-end included the Metropolitan Campus Center building renovation, Westshore Phase 2 building expansion, West Campus Science and Information Technology addition, Advanced Technology Training Center addition and renovation, Transportation Innovation Center, and the Public Safety Training Center, Phase 2 along with deferred maintenance and equipment expenditures. In November of 2017, the College's Capital Bond levy (Note 12) was approved by voters in the community. Proceeds from this issue will be used to fund the majority of building additions, expansions, improvements, equipment and deferred maintenance for projects over the next three years.

Capital asset activity for the year ended June 30, 2018 and the prior year ended June 30, 2017 follow.

	Balance July 1, 2017	Additions	CIP placed in Service & Disposals	Balance June 30, 2018
Non-depreciable Capital Assets:				
Land	$24,103,694	$0	$0	$24,103,694
Construction In Progress	16,847,027	43,714,092	15,652,517	44,908,602
Total Non-depreciable	40,950,721	43,714,092	15,652,517	69,012,296
Depreciable Capital Assets:				
Buildings	297,851,728	0	0	297,851,728
Building Improvements	238,194,383	13,995,430	0	252,189,813
Improvements Other than Buildings	39,269,602	279,389	0	39,548,991
Library Books	1,144,913	165,081	183,464	1,126,530
Moveable Equipment	63,187,472	6,480,507	9,550,880	60,117,099
Total Depreciable	639,648,098	20,920,407	9,734,344	650,834,161
Less Accumulated Depreciation:				
Buildings	138,894,336	5,675,766	0	144,570,102
Building Improvements	125,419,652	8,678,625	0	134,098,277
Improvements Other than Buildings	29,986,610	1,038,973	0	31,025,583
Library Books	416,276	190,217	183,464	423,029
Moveable Equipment	47,433,775	5,696,098	9,550,880	43,578,993
Total Accumulated Depreciation	342,150,649	21,279,679	9,734,344	353,695,984
Depreciable Capital Assets, Net	297,497,449	(359,272)	0	297,138,177
Total Capital Assets, Net	$338,448,170	$43,354,820	$15,652,517	$366,150,473

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

Capital asset activity for the year ended June 30, 2017 is presented below:

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

Note 6 –Receivables and Other Assets

Receivables are expected to be collected in full within one year except certain tuition and fees. As such, the discounting for time value is immaterial. An allowance for doubtful accounts has been established based upon prior collection experience.

The College has restricted receivables of $3,446,119 of which $2,876,553 are from federal, state and private grants and $569,566 accrued interest receivable from investments related to the College's 2018 general obligation bond proceeds.

At June 30, 2017, restricted receivables were $2,297,114 primarily restricted for federal, state or private grant use.

Receivables from the College's component unit were $1,404,754 and $2,937,540 at June 30, 2018 and June 30, 2017 respectively.

Accounts and other receivables consists of the following as of June 30, 2018 and June 30, 2017:

	2018	2017
Tuition and fees receivable	$26,596,170	$28,115,949
Allowance for doubtful accounts	(10,320,230)	(10,321,127)
	16,275,940	17,794,822
Interest receivable	192,725	167,576
Other receivable	1,380,167	537,928
Reclass to Component Unit Receivable	0	(184,937)
Accounts Receivable, net	$17,848,832	$18,315,389
Restricted Receivables	$3,446,119	$2,297,114
Receivable from Component Unit	$1,404,754	$2,937,540

The College has $3,829,696 of other current assets as of June 30, 2018 and had $4,076,864 as of June 30, 2017. Other current assets includes prepaid student tuition of $238,388 at June 30, 2018 as compared to $393,878 at June 30, 2017. Prepaid payroll costs associated with summer session of $3,171,174 as of June 30, 2018 compared with $3,186,458 from summer session as of June 30, 2017 and other prepaid items of $420,134 as of June 30, 2018 compares with $496,528 as of June 30, 2017.

Other noncurrent assets aside from restricted investments (see Note 3), capital assets (see Note 5) and net pension assets (see Note 10) include $38,339 of loans receivable as of June 30, 2018 as compared to $34,252 at June 30, 2017.

Note 7 – Operating Expenses by Natural Classification

The College's operating expenses by natural classification were as follow for the years ended June 30, 2018 and June 30, 2017:

	2018	2017
Salaries and Wages	$142,754,614	$140,562,457
Employee Benefits*	(7,777,933)	57,956,368
Utilities	5,616,255	6,192,100
Supplies	6,065,843	5,700,143
Travel	5,131,552	4,977,275
Outside Services	15,571,265	16,295,355
Maintenance and Repairs	6,861,776	6,907,510
Information and Communication	8,974,485	8,195,978
Depreciation and Equipment	23,478,664	26,320,241
Rent and Occupancy	11,237,305	10,685,288
Scholarships and Other Student Aid	23,612,101	27,663,321
Other	6,465,083	4,518,513
Total Operating Expenses	$247,991,010	$315,974,549

* Employee Benefits expenses are net of current year impact of Pensions and OPEB as required by GASB 68 and GASB 75. The total distributed to employee benefits at the end of fiscal year 2018 was an expenditure offset of $35,307,184 for pension expense and an additional $1,090,760 reduction in expense for OPEB expense. Changes in Deferred Outflows and Deferred Inflows between years resulted in an additional decrease of employee benefit expense of $12,687,894. In contrast, pension expense recognized for fiscal year 2017 was $32,335,768. There was no prior year recognition for state retirement OPEB plans.

Note 8 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following at June 30, 2018 and June 30, 2017:

	2018	2017
Accounts Payable	$13,291,792	$9,599,713
Accrued Interest Payable	2,641,563	2,057,850
Payroll and Fringe Liabilities	5,595,517	6,117,691
Total	$21,528,872	$17,775,254
Payable to Component Unit	$40,013	$54,005

Liabilities payable from restricted assets at June 30, 2018 were $994,492. Liabilities payable from restricted assets at June 30, 2017 were $282,785. A significant portion of the increase in liabilities is contractor liabilities associated with the numerous capital and construction projects underway in fiscal year 2018.

Note 9 – Property Taxes & Tax Abatements

Property taxes are levied and assessed on a calendar year basis. The College's fiscal year runs from July through June. The second half of calendar year 2017 tax receivables are collected in the College's 2018 fiscal year along with the first half of 2018 taxes leaving the balance of 2018 tax as a deferred inflow of resources to be collected in the subsequent fiscal year.

Property taxes include amounts levied against real property and public utilities located within Cuyahoga County. Real property tax revenue received in calendar 2018 represents collections of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed value listed as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market values. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

The full tax rate for the fiscal year ended June 30, 2018 was $4.00 ($3.96 effective rate) per $1,000 of assessed value with an additional $0.50 ($0.50 effective rate for 2018) related to the passage in November 2017 of the College's Series 2018, Facilities Construction and Improvement Bonds for capital improvements explained in further detail in Note 12. Taxes on the general obligation bond are unlimited as to rate and amount, to the extent necessary to pay the anticipated debt service on the bonds as they become due and to the extent that such debt service on the bonds is not paid from other sources. Such taxes must first be expended for the purpose of paying the anticipated debt service on the Bonds (together with costs of issuing the bonds) and since taxes are unlimited as to rate or amount, the rate of millage actually levied in each year while the bonds are outstanding will be such as determined to be necessary by the County Fiscal Officer to produce the amount necessary to pay debt service on the bonds due in that year, giving consideration the College's assessed valuation and previous tax collection experience.

The assessed values of real and public utility property upon which fiscal year 2018 property tax receipts were based are as follows:

	2017 Second Half Collections		2018 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$26,564,733,730	96.17 %	$26,724,377,610	95.86 %
Public Utility Personal	1,059,010,720	3.83	1,153,891,870	4.14
Total	$27,623,744,450	100.00 %	$27,878,269,480	100.00 %

Public utility property tax revenue received in calendar 2018 represents collections of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien December 31, 2016, were levied after April 1, 2017 and are collected in 2018 along with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

Accrued property taxes receivable includes real property and public utility real property and personal property taxes and outstanding delinquencies which are measurable as of June 30, 2018 and 2017 and for which there is an enforceable legal claim. At June 30, 2018, property taxes receivable were $123,177,815 which included $109,389,959 general receipts and $13,787,856 general obligation bond receipts compared to prior year general receipts of $107,914,034 as of June 30, 2017.

The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources, property taxes. Deferred inflows in 2018 and 2017 respectively were $107,487,702 and $90,814,641.

Property Tax Abatements - The College does not enter into abatement agreements but the College does have reduced revenues as a result of other governments within the county entering into abatement agreements such as Enterprise Zone and Community Reinvestment Area abatements. County tax abatement agreements may reduce or eliminate resources available to the College in any specific year based on the type and length of the tax abatement agreements. For fiscal year 2018, the College's property taxes were reduced by an estimated $796,344 under various tax abatement agreements entered into by the subdivisions within the County as presented in the subsequent table. In comparison, the College's property taxes were reduced by an estimated $622,480 in fiscal year 2017.

Subdivision	2018 Taxes Abated	2017 Taxes Abated
City of Cleveland	$312,452	$164,485
City of Strongsville	65,985	52,725
Village of Glenwillow	58,294	41,982
City of Fairview Park	50,273	40,182
City of Berea	61,562	55,115
City of Bedford	46,961	86,167
City of Solon	37,405	32,645
City of Mayfield Heights	28,967	24,703
Village of Oakwood	28,638	27,410
City of Euclid	22,218	18,156
City of Warrensville Heights	20,330	16,242
Village of Cuyahoga Heights	18,082	16,979
City of Garfield Heights	10,742	12,445
Municipalities with less than $10,000 in abated taxes	34,435	33,244
	$796,344	$622,480

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

Note 10 – Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB) to retirees and/or their beneficiaries. Employees of the College are contributing members of either the Ohio Public Employees Retirement System, the State Teachers Retirement System or they may elect to contribute to an authorized and state-approved alternative retirement plan. The College, as an employer, also contributes to these retirement systems based on statutory contribution percentages.

Net Pension/Net Other Postemployment (OPEB) Liability

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

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

Ohio Revised Code limits the College's obligation for this liability to annually required payments. The College cannot control benefit terms or the manner in which pensions are financed; however, the College does receive the benefit of employees' services in exchange for compensation including pension and other postemployment benefits (OPEB).

GASB Statement No. 68 and Statement No. 75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for OPEB benefits including primarily health care. In most cases, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium.

State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires the College record a net pension liability based on its proportionate share of each retirement systems total net pension liability, deferred outflows and deferred inflows related to pensions and associated pension expense. The effect of year to year changes are reflected in the College's Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2018 and June 30, 2017.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually-required contribution outstanding at the end of the year is included as an accrued liability. The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS) – Pension Plans

Plan Description – College employees participate in the Ohio Public Employees Retirement System (OPERS), a contributory retirement plan. OPERS provides retirement, disability, survivor and death benefits, and cost of living adjustments to plan members. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS administers three separate pension plans that include a defined benefit plan, a defined contribution plan and a combined plan. The Traditional Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan has attributes of both a defined benefit and defined contribution pension plan. Participation in these plans is a choice members make at the time their employment commences. Members may elect to change plans only once during their career.

While members (e.g. College employees) may elect the Member-Directed Plan, substantially all College employee members are in either the OPERS' Traditional Plan or Combined Plans with only 4.8 percent of the College's employee/employer contributions in the 2017 measurement period directed to the Member-Directed Plan. In the previous 2016 measurement period, 4.7 percent of the College's employee/employer contributions were directed to OPERS' Member-Directed Plan. Members in this contributory plan are required to contribute 10 percent to the pension plan whereas the employer's 14 percent contribution is allocated between pensions and health care at 10 percent and 4 percent of covered payroll respectively. The net assets of this plan exceed the expected actuarial liability and would not increase the College's liability.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. The key components resulting from SB 343 to OPERS' pension plan changes included the following:

- Age and service requirements for retirement increased in all groups.
- Final average salary (FAS) calculation increased to five years from three years.
- Calculation used to determine the benefit amount for service retirement was modified.
- COLA is based on the annual percentage change in the Consumer Price Index with a 3 percent cap.
- Calculation used to determine early retirement benefit is determined by OPERS' actuary.

Additional information, including requirement for reduced and unreduced benefits can be found on OPERS' website and in OPERS' CAFR. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377. Other details regarding OPERS' plan changes and when they become effective can be found on its website at www.opers.org.

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

Under SB 343, members of the various OPERS' pension plans were categorized into three groups with varying provisions of the law applicable to each group. Retirement benefits are specific to each group and members must meet the eligibility requirements based on their age and years of service within the group. The table on the following page provides age and service requirements for retirement and the retirement formula applied to final average salary for the three member groups under the traditional plan. Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Additionally, a death benefit of $500-2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Plan.

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

Benefits in the Combined Plan consist of both an age-and-service formula benefit (the defined benefit element) and a defined contribution element. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan.

Members retiring under the Combined Plan receive a 3 percent COLA on the defined benefit portion of their benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Additionally, a death benefit of $500-2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Combined Plan. Employees that fall under the Law Enforcement category are not eligible for this plan.

The table on the subsequent page provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Combined Pension Plan (see OPERS CAFR referenced above for additional information). The 2018 service formula used to compute the benefit remained unchanged from 2017.

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

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

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

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

Funding Policy applicable to Traditional, Combined and Member-Directed plans: The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for public safety and law enforcement employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10.0 percent of covered payroll for members in the state and local classifications. The Ohio Revised Code authorizes OPERS to calculate employee contribution rates for public safety employees and limits the law enforcement rate to the public safety rate plus an additional percent not to exceed 2.0 percent. Members in state and local classifications contributed 10.0 percent of covered payroll while law enforcement members contributed 13.0 percent.

The College's contribution rate remained at 14.0 percent, except for those plan members in law enforcement for whom the College's contribution rate was 18.1 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 1.0 percent for calendar year 2017 and 0.0 percent for 2018. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

College employees in the OPERS plan fall under State and Local or Law Enforcement categories. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The College's contractually required contribution for the Traditional Plan net of postemployment health care benefits, for fiscal year 2018 and 2017 was $8,992,384 and $7,987,032 respectively. The contractually required contribution for the Combined Plan net of postemployment health care benefits for fiscal year 2018 and 2017 was $259,451 and $231,564 respectively.

Actuarial Assumptions – OPERS

Though service benefit formulas differ by OPERS' plans as indicated in the previous tables, assumptions with respect to determining actuarial liabilities and deferred outflows and deferred inflows are constant across plans with the exception of service lives of the pooled members.
Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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

The total pension liability actuarial valuations, for the fiscal years presented in these financial statements, reflect the actual valuation as of the measurement periods December 31, 2017 and December 31, 2016 and were determined using the actuarial assumptions that follow and as applied to all periods included in the measurement, in accordance with the requirements of GASB 68.

Key Methods and Assumptions Used in Valuation of Total Pension Liability - 2017 Measurement

Actuarial Information	**Traditional Plan**	**Combined Plan**
Valuation Date	December 31, 2017	December 31, 2017
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.50%	7.50%
Wage Inflation	3.25%	3.25%
Projected Salary Increase	3.25 - 10.75% (includes 3.25% wage inflation)	3.25 - 8.25% (includes 3.25% wage inflation)
COLA or Ad Hoc COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.15% Simple	3% Simple through 2018 then 2.15% Simple

OPERS conducts an experience study every five years in accordance with Ohio Revised Code Section 145.22. The study for the five-year period ended December 31, 2015 and methods and assumptions were approved and adopted by the OPERS Board of Trustees.

In the prior fiscal year, the total pension liability actuarial valuations for the measurement period of December 31, 2016 were determined using the actuarial assumptions that follow and as applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability - 2016 Measurement

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

Mortality Rates – Pre-retirement mortality rates were based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

For fiscal years 2016 and prior actuarial valuations, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for changing amounts actually invested for the Defined Benefit portfolio was 16.82 percent for 2017.

Previously in 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016.

Asset allocation and expected returns were unchanged from the prior year assumptions. The table below displays the Board-approved asset allocation policy for measurement years 2017 and 2016, and the long-term expected real rates of return.

Asset Class	2017 Target Allocation	2017 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)	2016 Target Allocation	2016 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.0%	2.20%	23.0%	2.75%
Domestic Equities	19.0%	6.37%	20.7%	6.34%
Real Estate	10.0%	5.26%	10.0%	4.75%
Private Equity	10.0%	8.97%	10.0%	8.97%
International Equities	20.0%	7.88%	18.3%	7.95%
Other investments	18.0%	5.26%	18.0%	4.92%
Total	100.0%	5.66%	100.0%	5.66%

Discount Rate – The discount rate used to measure the total pension liability for measurement years 2017 and 2016 was 7.5 percent for both years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the College's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate:

College's proportionate share of Net Pension Liability/(Asset) - Public Employees Retirement	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Traditional Plan at June 30, 2018	$143,148,612	$80,613,260	$28,477,622
Combined Plan at June 30, 2018	$19,156	($651,943)	($488,482)

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

Alternative Retirement Plan – Eligible non-faculty employees of Ohio's public colleges and universities may choose to enroll in either OPERS or an alternative retirement plan (ARP) offered by the College. Employees have 120 days from their date of hire to select a retirement plan. For employees who select an ARP, employers were required to remit employer mitigating contributions to OPERS at a rate of 2.44 percent of payroll for the calendar year 2018 and 0.77 percent in calendar year 2017. Additional information on ARP plans follows later in this note.

Changes between Measurement Date and Report Date

In October 2018, the OPERS Board voted to lower the investment return assumption for its defined benefit fund from 7.5 percent to 7.2 percent. This assumption change will impact OPERS annual actuarial valuation prepared as of December 31, 2018.

State Teachers Retirement System (STRS) – Pension Plans

Plan Description – STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported in whole or part, by the state or any political subdivision thereof. The College's faculty participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan administered by STRS. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

A Defined Benefit or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits.

A death benefit of $1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to $2,000 can be purchased by participants in the DB, DC or Combined Plans.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal years ended June 30, 2018 and June 30, 2017 the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The statutory member contribution rate was increased to 14 percent on July 1, 2017 from the prior year's 13 percent. The fiscal year 2018 and 2017 contribution rates were equivalent to the statutory maximum rates.

The College's contractually required contributions to State Teachers Retirement System for the fiscal years ended June 30, 2018 and June 30, 2017 were $8,201,568 and $8,010,719 respectively.

Net Pension Liability & Pension Expense – STRS Plan

Though the Ohio Revised Code limits the College's obligation for pension liability to the annual required payments based on rates set by STRS's Board and the College's covered payroll, standards set by GASB 68 require the College recognize its proportionate share of obligations of the retirement plan for unfunded balances. Pension liabilities are dependent on a variety of variables, most of them long-term. Variables include estimated average life expectancies, earnings on investments, changes in proportionate share and changes in the discount rate used to evaluate the present value of obligations. Changes in these variables, among others, will result in changes in liability and related recognition of the College's proportionate share of pension expense.

In fiscal year 2018, the College reduced both its liability and pension expense primarily as a result of changes in the benefit terms, plan assumptions and favorable investment returns.

Actuarial Assumptions – STRS

Key actuarial assumptions used in the June 30, 2018 and 2017 valuations were based on prior year measurement dates of June 30, 2017 and 2016, respectively. The actuarial valuations were determined using the actuarial assumptions presented on the following page, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Valuation date	July 1, 2017	July 1, 2016
Inflation	2.50%	2.75%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.25% at age 20 to 2.75% at age 70
Investment Rate of Return	7.45%, net of investment expenses, including inflation	7.75%, net of investment expenses, including inflation
Payroll Increases	3.0%	3.5%
Cost-of-Living Adjustments (COLA)	0.0%, effective July 1, 2017	2% simple applied as follows: 2% per year for members retiring before August 1, 2013, for members retiring August 1, 2013 or later, 2% COLA commences on fifth anniversary of retirement date.

Mortality Rates – For July 1, 2017 post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the July 1, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016 valuation are based on the results of an actuarial experience study effective July 1, 2012.

Investment Assumptions - Pension and postemployment health care assets are commingled for investment purposes. Consequently, amounts reported for individual asset classes are allocated between pension and postemployment health care based upon ending net position.

STRS' investment consultant develops best estimates for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of returns for each major asset class is for fiscal year 2017 and fiscal year 2016 are summarized in the following tables.

	2017 Investment Return Assumptions		2016 Investment Return Assumptions	
Asset Class	**Target Allocation**	**Long-Term Expected Rate of Return***	**Target Allocation**	**Long-Term Expected Rate of Return****
Domestic Equity	28%	7.35%	31%	8.00%
International Equity	23%	7.55%	26%	7.85%
Alternatives	17%	7.09%	14%	8.00%
Fixed Income	21%	3.00%	18%	3.75%
Real Estate	10%	6.00%	10%	6.75%
Liquidity Reserves	1%	2.25%	1%	3.00%
Total	100%	7.45%	100%	7.61%

* For the 2017 measurement date, the long-term expected rate of return was based on the 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**For the 2016 measurement date, the long-term expected rate of return was based on the 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.50 percent and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

Discount Rate – The discount rate used to measure the total pension liability was 7.45 percent for June 30, 2017 and 7.75 percent for June 30, 2016 measurement periods included in the pension liability and related deferred inflow and outflow calculations. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates each in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017 and June 30, 2016 measurement periods. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017 and 7.75 percent was the long-term expected rate of return used to determine the total pension liability as of June 30, 2016.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The table below presents the College's proportionate share of the net pension liability as of the June 30, 2017 and June 30, 2016 measurement dates, calculated using the current period discount rate assumptions of 7.45 percent and 7.75 percent, respectively, and determining the College's proportionate share of the net pension liability if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate.

College's proportionate share of Net Pension Liability - State Teachers Retirement	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
at June 30, 2018 (2017 measurement)	$180,889,081	$126,190,005	$80,114,237

College's proportionate share of Net Pension Liability - State Teachers Retirement	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
at June 30, 2017 (2016 measurement)	$239,719,396	$180,386,795	$130,336,253

Alternative Retirement Plan – Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their date of hire to select a retirement plan. For employees who select an ARP, employers are required to remit employer contributions to STRS Ohio at a rate of 4.47 percent of payroll in fiscal year 2018, previously 4.5 percent in fiscal year 2017.

Changes between Measurement Date and Report Date

Effective July 1, 2017, of the 14 percent employer contribution, 9.53 percent of salary is deposited into the member's DC plan while 4.47 percent of the salaries is used to amortize the unfunded actuarial accrued liability of the DB plan. In the prior fiscal year, the allocation was 9.5 percent and 4.5 percent to the DC plan and the DB plan respectively.

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

The College's proportionate share of net pension liability at June 30, 2018 was measured as of December 31, 2017 for OPERS and June 30, 2017 for STRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating entities. Subsequent payments made during the current fiscal year are accounted for as deferred outflows. Where previously we presented year to year comparison of changes in pension liabilities and pension expense by plan, the following table reflects the proportionate share of pension expense for the current and prior years for all plans and thus the College, in total. The related deferred outflows and deferred inflows of resources associated with the pension liability are presented on the following page.

	Measurement Year - 2017			
2018 Net Pension Assets & Liabilities	OPERS Traditional	OPERS Combined	STRS	
Proportion of Net Pension (Asset) / Liability prior measurement date	0.483713%	(0.467523%)	0.538902%	
Proportion of Net Pension (Asset) / Liability current measurement date	0.513851%	(0.478904%)	0.531210%	
Change in Proportionate Share	0.030138%	0.011381%	(0.007692%)	Total
Proportionate Share of Net Pension Asset	$0	$651,943	$0	$651,943
Proportionate Share of Net Pension Liability	80,613,260	0	126,190,005	206,803,265
Pension Expense (Negative Expense)	$14,259,782	($29,084)	($49,537,882)	($35,307,184)

For comparative purposes, the 2017 net pension liability for OPERS and STRS plans for the prior year, based on December 31, 2016 for OPERS and June 30, 2016 for STRS measurement dates, follows.

	Measurement Year - 2016			
2017 Net Pension Assets & Liabilities	OPERS Traditional	OPERS Combined	STRS	
Proportion of Net Pension (Asset) / Liability prior measurement date	0.487152%	(0.487100%)	0.539740%	
Proportion of Net Pension (Asset) / Liability current measurement date	0.483713%	(0.467523%)	0.538902%	
Change in Proportionate Share	(0.003439%)	(0.019577%)	(0.000838%)	Total
Proportionate Share of Net Pension Asset	$0	$260,208	$0	$260,208
Proportionate Share of Net Pension Liability	109,843,000	0	180,386,795	290,229,795
Pension Expense	$19,153,592	$77,324	$13,104,852	$32,335,768

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

Deferred outflows of $12,687,894 represents 2018 College contributions subsequent to the 2017 measurement dates. These contributions will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019.

	Measurement Year - 2017			
2018 Deferred Outflow of Resources	OPERS Traditional	OPERS Combined	STRS	Total
Differences between expected and actual experience	$82,326	$0	$4,872,865	$4,955,191
College contributions subsequent to measurement date	4,359,286	127,040	8,201,568	12,687,894
Change in assumptions	9,633,824	56,972	27,599,141	37,289,937
Differences in employer contributions and change in proportionate share	3,139,966	7,117	0	3,147,083
Total Deferred Outflow of Resources	$17,215,402	$191,129	$40,673,574	$58,080,105

2018 Deferred Inflow of Resources	OPERS Traditional	OPERS Combined	STRS	Total
Differences between expected and actual experience	$1,588,633	$194,218	$1,017,042	$2,799,893
Differences in employer contributions and change in proportionate share	196,595	7,210	2,287,832	2,491,637
Difference between projected and actual earnings on pension plan investments	17,306,604	102,860	4,164,418	21,573,882
Total Deferred Inflow of Resources	$19,091,832	$304,288	$7,469,292	$26,865,412

Similarly, the College reported deferred outflow and inflow of resources related to pensions for the fiscal year ended June 30, 2017 as presented in the following table.

	Measurement Year - 2016			
2017 Deferred Outflow of Resources	OPERS Traditional	OPERS Combined	STRS	Total
Differences between expected and actual experience	$148,884	$0	$7,288,493	$7,437,377
College contributions subsequent to measurement date	4,542,834	120,493	8,010,719	12,674,046
Change in assumptions	17,422,444	63,418	0	17,485,862
Differences in employer contributions and change in proportionate share	0	8,134	0	8,134
Difference between projected and actual earnings on pension plan investments	16,358,158	63,487	14,976,950	31,398,595
Total Deferred Outflow of Resources	$38,472,320	$255,532	$30,276,162	$69,004,014

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

Deferred outflows of $12,674,046 represented 2017 College contributions subsequent to the 2016 measurement dates. These contributions were recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018

Aside from subsequent contributions, other amounts reported as deferred outflow of resources and deferred inflow of resources, including change in proportionate share, difference between expected and actual experience changes in assumptions and difference in projected versus actual earnings on pensions investments are amortized as pension expense over subsequent periods. The table presented on the subsequent page presents the current year unamortized balances of deferred outflows/inflows and the periods over which they will be expensed.

Amortization of Deferred Outflow/Inflow - 2019 forward

	OPERS Traditional	OPERS Combined	STRS	Total
2019	$8,643,192	($32,549)	$5,031,256	$13,641,899
2020	(146,460)	(35,362)	10,696,299	10,514,477
2021	(7,620,911)	(58,407)	7,534,984	(144,334)
2022	(7,111,537)	(55,975)	1,740,175	(5,427,337)
2023	0	(19,858)	0	(19,858)
2024-2029	0	(38,048)	0	(38,048)
	($6,235,716)	($240,199)	$25,002,714	$18,526,799

Alternative Retirement Plan

Plan Description – An Alternative Retirement Plan (ARP) is a defined contribution pension plan, under IRS Section 401(a), and established by Ohio Amended Substitute House Bill 586 (ORC 3305.02) on March 31, 1998, for public institutions of higher learning. The College's Board of Trustees adopted the ARP on February 5, 1999. The Alternative Retirement Plan offered by the College as an alternative to OPERS or STRS plans was amended, restated and became effective on January 1, 2016. The purpose of the restatement was to clarify the definition of a "full-time employee" and to clarify vesting rights for employees who are employed pursuant to the American Association of University Professors who became eligible to participate on and after January 1, 2017.

Full-time administrative and professional staff are eligible to choose a provider, in lieu of STRS and OPERS, from the list of six providers currently approved by the Ohio Department of Insurance and who hold agreements with the College. New employees who qualify for the ARP have 120 days from date of hire to make an irrevocable election to participate in the ARP. For employees who elected participation in ARP, employee contributions to STRS and OPERS were transferred from those plans and invested in individual accounts established with one of the six providers. Employee and employer contributions equal to those required by OPERS and STRS are required for the ARP, less any amounts required to be remitted to the state retirement system in which the employee would otherwise have been enrolled.

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

Funding Policy under STRS and OPERS plans: The Ohio Revised Code provides statutory authority for member and employer contributions. Under this plan, employees who would have otherwise been required to participate in STRS or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of six private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the specific state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Department of Higher Education. The mitigating portions directed to the STRS plan was 4.47 percent for fiscal year 2018 and 4.50 percent for fiscal year 2017. The OPERS mitigating rates for 2018 and 2017 were 2.44 percent and 0.77 percent respectively. The employer also contributes what would have been the employer's contribution (14 percent contribution less the mitigating rates indicated above) under STRS or OPERS to the private provider selected by the participating employee.

Statutory contribution rates for employees for the current and preceding two fiscal years follow:

Employee Contribution Rates						
	STRS		OPERS		OPERS Law Enforcement	
Period	Traditional	ARP	Traditional & Combined	ARP	Traditional	ARP
7/1/17-6/30/18	14.0%	14.0%	10.0%	10.0%	13.0%	13.0%
7/1/16-6/30/17	14.0%	14.0%	10.0%	10.0%	13.0%	13.0%
7/1/15-6/30/16	13.0%	13.0%	10.0%	10.0%	13.0%	13.0%

The statutory rates for employer contributions for the current and preceding two fiscal years follows:

Employer Contribution Rates								
	STRS			OPERS			OPERS Law Enforcement	
Period	Traditional	ARP		Traditional & Combined	ARP		Traditional	ARP
		STRS	ARP		OPERS	ARP		
7/1/17-6/30/18	14.00%	4.47%	9.53%	14.00%	2.44%	11.56%	18.10%	18.10%
7/1/16-6/30/17	14.00%	4.50%	9.50%	14.00%	0.77%	13.23%	18.10%	18.10%
7/1/15-6/30/16	14.00%	4.50%	9.50%	14.00%	0.77%	13.23%	18.10%	18.10%

The College's required contributions for pension obligations to the Alternative Retirement Plans for the fiscal years ended June 30, 2018 and 2017 were $1,245,015 and $1,025,154 respectively. These same amounts are recorded as pension expense in their respective years. The College has contributed 100 percent of the annual required contributions for all years. Contributions by plan members for the fiscal years ended June 30, 2018 and 2017 were $1,018,462 and $956,648 respectively.

Note 11 – Defined Benefit, Postemployment Benefits Other Than Pensions

The College has three specific plans that qualify as OPEB according to guidelines presented within GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The three plans include OPERS, STRS and the College Retiree Death Benefit plan. Plan description, net OPEB liabilities and related expense, deferred outflows and deferred inflows, funding policies and actuarial assumptions are presented under each plan heading while a consolidated table of all three plans is presented at the end of Note 11 presenting liability, expense, deferred outflow and deferred inflows by type and unamortized amounts in total for the College and the proportionate share of the state plans.

As the College has chosen to present comparative financial statements in this fiscal year when OPEB accounting under GASB 75 was first adopted, the College is required to present its disclosure notes under both GASB 75 for current year reporting and GASB 45 for fiscal year 2017 reporting.

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In fiscal year 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

The College's contributions allocated to fund postemployment health care benefits for the fiscal year ended June 30, 2017 was $1,094,678. Fiscal year 2018 contributions allocated to health care was $489,581 and represented contributions for the period July 1 through December 31, 2017 when the contribution allocation rate was 1.0 percent of covered pay for the periods indicated and 0.0 percent for the remainder of the fiscal year (January 1 – June 30, 2018). The full amounts required by law were contributed for all fiscal years.

***Net OPEB Liability* -** The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The College's proportion of the net OPEB liability was based on the College's share of contributions to the respective retirement systems relative to the contributions of all participating entities. The College's proportionate share of the OPERS net OPEB liability as of June 30, 2018 was $56,237,953. As this is the first year of implementation, prior year information was not available to provide comparative analysis of changes.

***OPEB Expense* -** Changes in actuarial valuation of the net OPEB liability, changes in deferred outflows and deferred inflows, subsequent plan contributions and amortization of changes in proportionate share from year to year may have either a positive or negative effect to the College's recognition of OPEB expense for the period. As this is the first year of implementing the change in financial reporting as required under GASB Statement No. 75, prior year comparable data is unavailable. In fiscal year 2018, the College's recognition of its proportionate share of OPEB expense with respect to OPERS Ohio's health benefit plans resulted in OPEB expense of $5,210,427. As this is the first year of implementing the change in financial reporting as required under GASB Statement No. 75, prior year comparable data is unavailable.

***Deferred Outflows and Deferred Inflows* -** Deferred outflows and deferred inflows represent the effect of changes in the net OPEB liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions, changes in plan design and changes in the employers' proportion of the collective net OPEB liability. The deferred outflows and deferred inflows are to be included in OPEB expense over current and future periods. The difference between projected and actual investment earnings is recognized in OPEB expense using a straight-line method over five years beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over a 3.0916 years using a straight line method which represents the average expected remaining service lives of all members (both active and inactive). Employer contributions to the OPEB plan subsequent to the measurement date are required to be reported as a deferred outflow of resources. Deferred outflows were $6,028,569 while deferred inflows were $4,189,352 related to the College's share of OPERS OPEB deferred resources for fiscal year 2018.

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Assumptions	
Valuation date	December 31, 2016
Projected salary increase	3.25% to 10.75% (includes 3.25% wage inflation)
Projected payroll/active member increase	3.25% per year
Investment rate of return	6.50%
Municipal bond rate	3.31%
Single discount rate of return	3.85%
Health care cost trend	initial 7.50% to 3.25% ultimate in 2028

Actuarial valuations are as of December 31, 2016 rolled-forward to December 31, 2017. The assumptions used in the valuation are based on the results of an actuarial experience study for the five year period ended December 31, 2015.

Mortality rates - Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit.

The table below displays the System's Board-approved asset allocation policy and the long-term expected rate of return for each major asset class.

Asset Class	Target Allocation	Long-Term Expected Rate of Return *
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investments	6.00	5.91
International Equities	22.00	7.88
Other Investments	17.00	5.39
Total	100.00 %	4.98 %

* Building block method whereby best-estimate ranges of expected future returns are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

Discount rate – A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be met at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the College's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, and the expected net OPEB liability if it were calculated using a discount rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

	1% Decrease 2.85%	Current Discount Rate 3.85%	1% Increase 4.85%
College's proportionate share of the net OPEB liability	$74,740,623	$56,237,953	$41,304,983

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Health Care Cost Current Trend Rate	1% Increase
College's proportionate share of the net OPEB liability	$53,826,511	$56,237,953	$58,768,810

Changes between Measurement Date and Report Date

In October 2018, the OPERS Board voted to lower the investment return assumption for its health care investment portfolio from 6.5 percent to 6 percent. This assumption change will impact OPERS annual actuarial valuation prepared as of December 31, 2018.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting http://www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal years ended June 30, 2018 and June 30, 2017, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability - The net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that dates. The College's proportion of the net OPEB liability was based on the College's share of contributions to the respective retirement systems relative to the contributions of all participating entities. The College's proportionate share of the STRS net OPEB liability as of June 30, 2018 was $20,725,843. As this is the first year of implementation, prior year information was not available to provide comparative analysis of changes.

OPEB Expense - Changes in actuarial valuation of the net OPEB liability, changes in deferred outflows and deferred inflows, subsequent plan contributions and amortization of changes in proportionate share from year to year may have either a positive or negative effect to the College's recognition of OPEB expense for the period. In fiscal year 2018, the College's recognition of its proportionate share of OPEB expense with respect to STRS Ohio's health benefit plans resulted in negative OPEB expense of $6,406,687. As this is the first year of implementing the change in financial reporting as required under GASB Statement No. 75, prior year comparable data is unavailable. There were no allocations of College contributions to fund STRS health care in fiscal years 2018 or 2017.

Deferred Outflows and Deferred Inflows - Deferred outflows and deferred inflows represent the effect of changes in the net OPEB liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions, changes in plan design and changes in the employers' proportion of the collective net OPEB liability. The deferred outflows and deferred inflows are to be included in OPEB expense over current and future periods. The difference between projected and actual investment earnings is recognized in OPEB expense using a straight-line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over a seven year period using a straight line method which represents the average expected remaining service lives of all members (both active and inactive). Employer contributions to the OPEB plan subsequent to the measurement date are reported as a deferred outflow of resources and are recognized as a reduction of the net OPEB liability. Deferred outflows were $1,196,422 while deferred inflows were $2,884,520 related to the College's share of STRS OPEB deferred resources for fiscal year 2018.

***Actuarial Assumptions* -** Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.5%
Projected salary increases	12.50% at age 20 to 2.5% at age 65
Projected payroll increases	3.0%
Investment rate of return	7.45%, net of investment expenses, including inflation
Blended Discount rate of return	4.13%
Health care cost trends	6 to 11% initial, 4.5% ultimate
Cost-of-living adjustments (COLA)	0.0%, effective July 1, 2017

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members. Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

***Mortality Rates* -** For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Investment Return Assumptions - STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are the same as the asset allocation and long-term expected rate of return as the STRS pension plan, see Note 10, Net Pension Liabilities and is also shown on the following page.

Asset Class	Target Allocation	Long-Term Expected Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

* For measurement year 2017, the long term expected rate of return was based on the 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

The annual money weighted rate of return expressing investment performance, net of investment expenses and adjusted for changing amounts actually invested in the health care portfolio was 14.19 percent for 2017.

Discount Rate - The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to the 4.13 percent reflected above based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate

The following table represents the College's proportionate share of the plan's net OPEB liability as of the measurement period, June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1.0 percent lower or 1.0 percent higher than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are 1.0 percent lower or 1.0 percent than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
College's proportionate share of the net OPEB liability	$27,824,112	$20,725,843	$15,115,891

	1% Decrease	Health Care Cost Current Trend Rate	1% Increase
College's proportionate share of the net OPEB liability	$14,399,428	$20,725,843	$29,052,146

OPEB - College Retiree Death Benefits

Plan Description **-** The College offers death benefits to eligible retirees as its only postemployment benefit aside from pension and health benefits available through a multi-employer plan administered by the State of Ohio through OPERS and STRS. The plan was first established in July 1993 and has been amended several times. The last amendment to the plan was effective July 1, 2014. The College's retiree death benefit plan meets the definition of other postemployment benefit (OPEB) as described in GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The retiree death benefit plan is administered by the College and does not issue a stand-alone financial report. There are no employee contributions made into this plan and the College is funding the plan with a pay-as-you-go methodology whereby the College recognizes a liability in its financial statements, but currently does not set aside assets or provide related fiduciary responsibilities with respect to plan funding.

Eligibility **-** An employee's beneficiary qualifies for this benefit only if the employee was a full-time employee for at least five years immediately prior to retirement from the College.

Plan benefits **-** The benefit to be paid to retiree's beneficiary is $2,000 for non-AFSCME employees and $5,000 for AFSCME employees unless the AFSCME employee has a minimum of 35 sick leave days accumulated at retirement in which case the benefit to be paid is $7,500. Benefits are not based on covered payroll as only the retiree's beneficiary is entitled to this benefit.

Employees covered by the benefit terms at the measurement dates, April 30, 2018 and April 30, 2017, were as follows:

	2018	2017
Retirees	942	927
Active employees, not yet eligible	1,471	1,478

Funding policy **-** The College is self-insured for retiree death benefits and utilizes a pay-as-you-go methodology in managing this retiree benefit. Though benefits are part of contractual agreements for AFSCME employees, there are no contractually required contributions. No specific assets to fund the actuarially determined liability are established but instead distributions are funded out of current operations upon notification and verification of eligibility.

Payment **-** Benefits are provided to the beneficiary of eligible retired employees upon notification of the retiree's death in a single sum.

Plan termination **–** The College and its Board of Trustees are empowered to amend or terminate the Plan through Board action and without prior notice.

Net OPEB Liability, OPEB Expense – College Retiree Death Benefits

The net OPEB liability for the retiree death benefit plan was determined by an actuarial valuation as of April 30, 2018. As the plan is not a multi-employer plan, the College's liability is the total present value of future benefits as calculated by the actuary. GASB Statement No. 75 required the College to restate its liability for fiscal year ended June 30, 2017 to reflect the change in accounting principles with respect to the College's Retiree Death Benefit plan which had the effect of increasing OPEB liability specific to this plan by $680,000.

The expense associated with the College Retiree Death Benefits for the current fiscal year was $78,000, compared to $72,000 in fiscal year 2017. Due to the cumulative effect of a change in accounting principle, the College was required to reduce its beginning net position by $680,000.

Deferred Outflows and Inflows – College Retiree Death Benefits

The College does not set aside specific assets to fund this OPEB. Changes in expected versus actual claim activity are recorded in the period when incurred and do not result in deferred inflows.

The key actuarial assumptions used in the June 30, 2018 and June 30, 2017 valuations were based on measurement dates of April 30 in the designated years.

Actuarial Assumptions – College Retiree Death Benefits

	2018	2017
Valuation date	April 30, 2018	April 30, 2017
Average future working lifetime	11.084 years	11.174 years
Discount rate	5.50%	5.50%
Investment rate of return	5.50%	5.50%
Mortality table	1994 Group Annuity Reserving Table	1994 Group Annuity Reserving Table

Changes in the current year Retiree Death Benefit Plan

	2018
Service Cost	$68,000
Interest on Net OPEB	39,000
Changes in Expected vs Actual Experience and funding estimates	(1,500)
Annual OPEB Cost	105,500
Benefit Payments	(27,500)
Net Change in OPEB Liability	78,000
Beginning Balance, OPEB Retiree Death Benefit Liability	1,844,000
Ending Balance, OPEB Retiree Death Benefit Liability	$1,922,000

Sensitivity of the College's Retiree Death Benefits to Change in Discount Rate

	1% Decrease 4.50%	Current Discount Rate 5.50%	1% Increase 6.50%
College's OPEB liability for retiree death benefits	$2,206,000	$1,922,000	$1,699,000

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

Amounts determined regarding the funded status of the plan and recommended contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. There is no minimum required contribution and the plan benefits can be amended or terminated through action by the College's Board of Trustees without prior notice. There are no assets specifically reserved for the funding of this benefit but an accrued liability has been established for the present value of retiree death benefits. The College has not credited interest to the assets of the retiree life insurance program which may result in actuarial losses due to 0.0 percent interest return versus the 5.5 percent assumptions. This actuarial loss has been offset by actuarial gains due to actual (fewer) versus expected retiree life insurance claims.

OPEB Liabilities, Deferred Outflows, Deferred Inflows and OPEB Expense – OPERS, STRS and College Retiree Death Benefit Plans:

At June 30, 2018, the College reported its proportionate share of net OPEB liabilities and OPEB expense from OPERS, STRS and the College's OPEB plans as displayed in the subsequent table.

	OPERS*	STRS*	College*	Total
Proportion of the Net OPEB Liability Prior Measurement Date	0.490415%	0.538902%	100.000000%	
Proportion of the Net OPEB Liability Current Measurement Date	0.517880%	0.531210%	100.000000%	
Change in Proportionate Share	0.027465%	(0.007692%)	0.000000%	
Proportionate Share of the Net OPEB Liability	$56,237,953	$20,725,843	$1,922,000	$78,885,796
OPEB Expense	$5,210,427	($6,406,687)	$105,500	($1,090,760)

**OPERS based on December 31, 2017 measurement*
STRS based on June 30, 2017 measurement
College based on April 30, 2018 measurement

At June 30, 2018, the College reported deferred outflow and inflow of resources related to OPEB liabilities from OPERs, STRS and the College's OPEB plans as indicated in the table below:

2018 Deferred Outflow of Resources	**OPERS***	**STRS***	**College***	**Total**
Differences between expected and actual experience	$43,809	$1,196,422	$0	$1,240,231
Change in assumptions	4,094,719	0	0	4,094,719
Differences in employer contributions and change in proportionate share	1,890,041	0	0	1,890,041
Total Deferred Outflow of Resources	$6,028,569	$1,196,422	$0	$7,224,991

2018 Deferred Inflow of Resources	**OPERS***	**STRS***	**College***	**Total**
Change in assumptions	$0	$1,669,534	$0	$1,669,534
Difference between projected and actual earnings on pension plan investments	4,189,352	885,872	0	5,075,224
Differences in employer contributions and change in proportionate share	0	329,114	0	329,114
Total Deferred Inflow of Resources	$4,189,352	$2,884,520	$0	$7,073,872

**OPERS based on December 31, 2017 measurement*
STRS based on June 30, 2017 measurement
College based on April 30, 2018 measurement

Employer contributions as a percent of covered payroll towards OPEB plans for fiscal year 2018 are as follows:

OPERS health care .... 1 percent for the period July 1, 2017 – December 31, 2017;
.... 0 percent thereafter
STRS health care..0 percent for the period July 1, 2017 – June 30, 2018
College death benefit plan…………………………… ....0 percent

OPERS' employer healthcare contributions for the period July 1, 2017 through December 31, 2017 were 1.0 percent of covered payroll or $489,581. No portion of the required 14.0 percent or 18.1 percent law contributions were allocated to healthcare in 2018. Contributions allocated to healthcare in fiscal year 2017 included 2.0 percent for the period June 1 through December 31, 2016, 1.0 percent for January 1, through June 30, 2017 or $1,094,678 and 2.0 percent for the previous fiscal year 2016 from July 1, 2015 through June 30, 2016 or $1,414,766.

There were no employer contributions allocated to the STRS healthcare plan in fiscal years 2018, 2017 or 2016.

Amounts reported as deferred outflow of resources and deferred inflow of resources, including change in proportionate share, difference between expected and actual experience, changes in assumptions and difference in projected versus actual earnings on investments are amortized as OPEB expense over subsequent periods. The unamortized portion of deferred outflows and deferred inflows are presented below.

Amortization of OPEB Deferred Outflow/Inflow - 2019 forward

	OPERS	STRS	College	Total
2019	$1,834,938	($382,598)	$0	$1,452,340
2020	1,834,938	(382,598)	0	1,452,340
2021	(783,321)	(382,598)	0	(1,165,919)
2022	(1,047,338)	(382,604)	0	(1,429,942)
2023	0	(78,853)	0	(78,853)
2024	0	(78,847)	0	(78,847)
	$1,839,217	($1,688,098)	$0	$151,119

Though no longer comparative, the College's prior year retiree death benefit OPEB, followed the requirements of GASB Statement No. 45, superseded by GASB 75 in fiscal year 2018. In fiscal year 2017, the College's annual other postemployment benefit (OPEB) cost was calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represented a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period, not to exceed thirty years. The following information is presented for reference to prior year presentation of the Retiree Death Benefit OPEB under these parameters.

In preparing comparative financials in this year's annual report, OPEB liabilities and associated expense were recorded under GASB 45 guidelines. As such the following information related to OPEB expense and liabilities are presented for 2017, 2016 and 2015.

	6/30/2017	6/30/2016	6/30/2015
Annual Required Contribution	$72,000	$65,000	$64,000
Interest on OPEB Obligation	42,000	39,000	45,000
Changes in funding estimates	(59,200)	(77,333)	(44,667)
Annual OPEB cost (expense)	54,800	26,667	64,333
Contributions made[(1)]	(26,800)	(20,667)	(37,333)
Change in net OPEB obligation	28,000	6,000	27,000
Net OPEB obligation-beginning of year	1,136,000	1,130,000	1,103,000
Net OPEB obligation-end of year	$1,164,000	$1,136,000	$1,130,000

[(1)] The College does not make annual contributions under this Pay-As-You-Go plan. Amounts reflect claim payments made in each of the above fiscal years.

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

	6/30/2017	6/30/2016	6/30/2015
Annual OPEB cost (expense)	$54,800	$26,667	$64,333
Percent of Annual OPEB Cost Contributed[(1)]	48.9%	77.5%	58.0%
Net OPEB Liability	$1,164,000	$1,136,000	$1,130,000

[(1)] Contributions represent claim payments made during the fiscal year.

There are no specifically identifiable plan assets for this pay-as-you-go benefit plan. Actuarial accrued liabilities are presented in the table below.

	6/30/2017	6/30/2016	6/30/2015
Actuarial accrued liability (AAL)	$1,844,000	$1,789,000	$1,758,000
Actuarial value of plan assets[(1)]	0	0	0
Unfunded actuarial accrued liability	$1,844,000	$1,789,000	$653,000
Funded rate (actuarial value of plan assets/AAL)	0.0%	0.0%	0.0%

[(1)] Plan assets are not separately distinguishable from other College assets.

Amounts determined regarding the annual required contributions and funded status of the plan are subject to continual revision as actual results are compared with past expectations and new estimates about the future. Additional information on changes in the OPEB liability are presented in the required supplementary information following the notes to the financial statements.

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

The actuarial evaluation for the current retiree population is based on the facts and assumptions presented in the table below:

	2017	2016
Actuarial Date	4/30/2017	4/30/2016
Actuarial Method	Aggregate Cost	Aggregate Cost
Retiree population	927	910
Present value of Retiree Death Benefit	$2,051,000	$2,009,000
Active employee population	1,478	1,429
Mortality table	1994 GAR table	1994 GAR table
Interest/Discount Rate	5.5%	5.5%
Benefit range	$2,000-$7,500	$2,000-$7,500

There are no assets specifically reserved for the funding of this benefit but an accrued liability has been established for the present value Retiree Death Benefit. In applying GASB 75 to this benefit, the accrued liability was adjusted to reflect the latest actuarial valuation which included active employees not yet eligible for this benefit.

Note 12 – Long-Term Obligations

On March 1, 2018, the College issued $227,500,000 Facilities Construction and Improvement Bonds, Series 2018. The bonds are voted general obligation debt of the College and the full faith and credit of the College are irrevocably pledged for the prompt payment of the principal of and interest on the bonds when due. Principal and interest, unless paid from other sources, are to be paid from the proceeds of the College's levy of ad valorem property taxes, which taxes are without limitation as to amount or rate.

The bonds are unlimited tax general obligation bonds issued for the purpose of paying all or a part of the costs of campus-wide acquisition, construction, renovations and equipping of facilities for the College's programs to provide training and education of northeast Ohio's workforce, repaying moneys previously borrowed, advanced or granted and expended for such purpose and repaying costs of issuance of the Bonds. Taxes on the general obligation bond are unlimited as to rate and amount, to the extent necessary to pay the anticipated debt service on the bonds as they become due and to the extent that such debt service on the bonds is not paid from other sources. Such taxes must first be expended for the purpose of paying the anticipated debt service on the Bonds (together with costs of issuing the bonds) and since taxes are unlimited as to rate or amount, the rate of millage actually levied in each year while the bonds are outstanding will be such as determined to be necessary by the County Fiscal Officer to produce the amount necessary to pay debt service on the bonds due in that year, giving consideration the College's assessed valuation and previous tax collection experience. See note below on *2018 Unlimited Tax, General Obligation Bond* for additional details.

Other long-term obligations include those associated with employee benefit plans that include pension liabilities, other postemployment benefit (OPEB) liabilities, and sick and vacation liabilities referred to as compensated absences. The net pension and net OPEB liability reflects the College's proportionate share of the multi-employer plans managed by the State of Ohio and not necessarily the obligations created by State ordinance as the College pays 100 percent of its legal requirement.

Long-term obligations of the College for fiscal year ended June 30, 2018 are presented below.

	Outstanding June 30, 2017	Additions	Deductions	Outstanding June 30, 2018	Amount Due in One Year
General Receipt Bonds					
2009 Series C Bonds	$19,870,000	$0	($5,305,000)	$14,565,000	$5,580,000
Premium on Bonds	232,460	0	(89,984)	142,476	0
Total Series C Bonds	20,102,460	0	(5,394,984)	14,707,476	5,580,000
2012 Series D Bonds	18,395,000	0	(855,000)	17,540,000	880,000
Premium on Bonds	2,029,276	0	(134,538)	1,894,738	0
Total Series D Bonds	20,424,276	0	(989,538)	19,434,738	880,000
2016 Series E Bonds	64,685,000	0	(170,000)	64,515,000	175,000
Premium on Bonds	9,276,675	0	(800,864)	8,475,811	0
Total Series E Bonds	73,961,675	0	(970,864)	72,990,811	175,000
Total General Receipt Bonds	114,488,411	0	(7,355,386)	107,133,025	6,635,000
General Obligation Bonds					
2018 Unlimited Tax General Obligation Bond	0	227,500,000	0	227,500,000	15,240,000
Premium on Bonds	0	15,579,003	(209,817)	15,369,186	0
Total General Obligation Bonds	0	243,079,003	(209,817)	242,869,186	15,240,000
Certificates of Participation					
2009 Certificates of Participation	710,000	0	(710,000)	0	0
Discount on Certificates	(1,652)	0	1,652	0	0
Total 2009 Certificates of Participation	708,348	0	(708,348)	0	0
2017 Certificates of Participation	5,170,000	0	(67,000)	5,103,000	803,000
Total Certificates of Participation	5,878,348	0	(775,348)	5,103,000	803,000
Post-Employment Liabilities					
Net Pension Liability	290,229,795	0	(83,426,530)	206,803,265	0
Net Other Post-Employment Benefits*	80,198,219	78,000	(1,390,423)	78,885,796	56,000
Total Post-Employment Liabilities	370,428,014	78,000	(84,816,953)	285,689,061	56,000
Other Long-Term Obligations					
Capital Leases	17,885,829	3,000,000	(5,798,108)	15,087,721	3,862,414
Compensated Absences	8,025,791	1,033,016	(504,587)	8,554,220	1,084,527
Claims and Other Liabilities	2,461,697	12,077,063	(11,994,019)	2,544,741	2,019,164
Total Other Long-Term Obligations	28,373,317	16,110,079	(18,296,714)	26,186,682	6,966,105
Total Long-Term Liabilities	$519,168,090	$259,267,082	($111,454,218)	$666,980,954	$29,700,105

*Beginning "Net Other Post-Employment Liabilities" reflects the $79,034,219 change in accounting principle resulting from implementation of GASB 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.*

Prior year changes in long-term obligations of the College for fiscal year ended June 30, 2017 are presented in the table below:

	Outstanding June 30, 2016	Additions	Deductions	Outstanding June 30, 2017	Due in One Year
General Receipt Bonds					
2009 Series C Bonds	$24,925,000	$0	($5,055,000)	$19,870,000	$5,305,000
Premium on Bonds	322,444	0	(89,984)	232,460	0
Total Series C Bonds	25,247,444	0	(5,144,984)	20,102,460	5,305,000
2012 Series D Bonds	19,220,000	0	(825,000)	18,395,000	855,000
Premium on Bonds	2,163,814	0	(134,538)	2,029,276	0
Total Series D Bonds	21,383,814	0	(959,538)	20,424,276	855,000
2016 Series E Bonds	65,130,000	0	(445,000)	64,685,000	170,000
Premium on Bonds	10,077,539	0	(800,864)	9,276,675	0
Total Series E Bonds	75,207,539	0	(1,245,864)	73,961,675	170,000
Total General Receipt Bonds	121,838,797	0	(7,350,386)	114,488,411	6,330,000
Certificates of Participation					
2009 Certificates of Participation	6,310,000	0	(5,600,000)	710,000	710,000
Discount on Certificates	(10,880)	0	9,228	(1,652)	0
Total 2009 Certificates of Participation	6,299,120	0	(5,590,772)	708,348	710,000
2017 Certificates of Participation	0	5,245,000	(75,000)	5,170,000	67,000
Total Certificates of Participation	6,299,120	5,245,000	(5,665,772)	5,878,348	777,000
Post-Employment Liabilities					
Net Pension Liability	233,549,290	56,680,505	0	290,229,795	0
Other Post-Employment Liabilities*	1,136,000	54,800	(26,800)	1,164,000	68,000
Total Post-Employment Liabilities	234,685,290	56,735,305	(26,800)	291,393,795	68,000
Other Long-Term Obligations					
Capital Leases	22,221,254	1,203,000	(5,538,425)	17,885,829	5,798,108
Compensated Absences	7,728,542	1,150,624	(853,375)	8,025,791	1,017,531
Claims and Other Liabilities*	2,224,905	10,382,295	(10,145,503)	2,461,697	1,955,839
Total Other Long-Term Obligations	32,174,701	12,735,919	(16,537,303)	28,373,317	8,771,478
Total Long-Term Liabilities	$394,997,908	$74,716,224	($29,580,261)	$440,133,871	$15,946,478

*Other Post-Employment Liaibilities are shown separate from Claims and Other Liabilities as presented in the prior year to provide transparency and comparability in reporting for fiscal year 2018.

2009 Series C General Receipt Bonds

On April 2, 2009, the College issued $121,090,000 of Series C General Receipt Bonds for the purpose of various capital projects and to retire the College's Series B Tax Anticipation Notes.

The bond issue was comprised of $50,290,000 in serial bonds and $70,800,000 in term bonds. Interest payments, with rates ranging from 2.00 to 5.25 percent, are payable on August 1 and February 1 of each year, until the principal amount is paid. The serial bonds were issued for a ten-year period with a final maturity date of August 1, 2019. The term bonds were issued for a ten-year period with a final maturity date of February 1, 2029. On February 10, 2016, the College issued $65,130,000 of Series E General Receipts Refunding Bonds to refund $64,720,000 of 2009 Series C General Receipts Bonds maturing on and after February 1, 2021.

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

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

2012 Series D General Receipts Refunding Bonds

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

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

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

Series D General Receipts Refunding Bonds - Sinking

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

2016 Series E General Receipts Refunding Bonds

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

On March 9, 2016, the net proceeds were placed in the Refunding Escrow Fund to be used to redeem the bonds being refunded. Accordingly, the refunded debt liability as of June 30, 2016 for those refunded bonds of $64,720,000 is considered to be defeased and the liability for those bonds is not included in the financial statements. The College in effect reduced its aggregate debt service payments by $6.26 million over the next thirteen years and obtained an economic gain (difference between the present values of the old and new debt service payments discounted at the effective interest rate) of $5.50 million.

The principal and interest requirements to retire the general receipt bonds are presented below.

Fiscal Year	Principal	Interest	Total
2019	$6,635,000	$4,081,238	$10,716,238
2020	6,940,000	3,769,825	10,709,825
2021	7,280,000	3,434,375	10,714,375
2022	7,630,000	3,081,125	10,711,125
2023	7,890,000	2,823,000	10,713,000
2024-2028	44,720,000	8,832,425	53,552,425
2029-2033	15,525,000	1,162,625	16,687,625
Total	$96,620,000	$27,184,613	$123,804,613

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

2009 Certificates of Participation, Refunding and 2017 Certificates of Participation

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

On March 1, 2017, the College issued $5,245,000 in Certificates of Participation to refund $4,915,000 of Series 2009 Certificates of Participation maturing on and after June 1, 2019 plus accrued interest. The outstanding balance on the non-refunded debt was retired in full as of June 30, 2018.

2009 Certificates of Participation Refunded & Retired in 2018

Outstanding at June 30, 2016, prior to refunding	$6,310,000
Amount refunded, March 1, 2017	(4,915,000)
Balance of non-refunded certificates	1,395,000
2017 Principal Payment on Non-Refunded Portion	(685,000)
2018 Principal Payment on Non-Refunded Portion	(710,000)
Outstanding at June 30, 2018	$0

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

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

Fiscal Year	Principal	Interest	Total
2019	$803,000	$113,685	$916,685
2020	822,000	95,795	917,795
2021	842,000	77,483	919,483
2022	861,000	58,725	919,725
2023	878,000	39,543	917,543
2024	897,000	19,983	916,983
Total	$5,103,000	$405,214	$5,508,214

2018 Unlimited Tax, General Obligation Bond

On March 1, 2018, the College issued $227,500,000 Facilities Construction and Improvement Bonds, Series 2018. The bonds are voted general obligation debt of the College and the full faith and credit of the College are irrevocably pledged for the prompt payment of the principal of and interest on the bonds when due. The bond issue was comprised of $201,020,000 in serial bonds and $26,480,000 in term bonds. Interest on the bonds is payable at rates that range from 2.5 percent to 5 percent, on June 1 and December 1 of each year beginning June 1, 2018. The serial bonds were issued for a twenty-three year period with a final maturity date of December 1, 2040. The single term bond matures on December 1, 2042. The principal payment dates encompassing both the serial and term bonds range from December 1, 2018 through December 1, 2042, inclusive. The bonds are subject to optional and mandatory redemption prior to stated maturity. The bonds maturing on or after December 1, 2026 through and including December 1, 2040 are subject to redemption at the option of the College, either in whole or in part, on any date on or after June 1, 2026. The bonds maturing on December 1, 2042 are subject to redemption at the option of the College, either in whole or in part, on any date on or after June 1, 2028. At June 30, 2018, the unspent bond proceeds were $234,137,032.

The term bonds are subject to mandatory sinking fund redemption pursuant to the terms of the Bond Legislation. The mandatory redemption is to occur on December 1, 2041 and December 1, 2042 at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest as shown in the following table.

Maturity Date	Mandatory Redemption Date	Principal
December 1, 2042	December 1, 2041	$12,980,000
	December 1, 2042	13,500,000

The following is a summary of the College's future debt service requirements to retire the General Obligation Bond debt.

Fiscal Year	Principal	Interest	Total
2019	$15,240,000	$8,982,775	$24,222,775
2020	5,250,000	8,661,025	13,911,025
2021	5,510,000	8,447,125	13,957,125
2022	5,675,000	8,279,350	13,954,350
2023	5,845,000	8,048,100	13,893,100
2024-2028	33,395,000	36,038,350	69,433,350
2029-2033	42,210,000	27,074,050	69,284,050
2034-2038	51,575,000	17,570,575	69,145,575
2039-2042	62,800,000	6,214,287	69,014,287
Total	$227,500,000	$129,315,637	$356,815,637

Note 13 – Lease Commitments

Capital Leases – The College has entered into lease agreements for building improvements and equipment which are considered capital assets. The College's lease obligations meet the criteria of a capital lease and have been recorded in the financial statements. Amortization of capital lease assets are included in depreciation expense. The original amounts capitalized for the capital leases and the book values as of June 30, 2018 and June 30, 2017 are presented on the following page.

Capitalized Assets:	2018	2017
Building Improvements	$12,722,789	$24,019,829
Equipment - Servers	2,300,626	3,158,310
Equipment - General	9,612,956	12,291,166
Construction in Process	0	0
Subtotal of Assets	24,636,371	39,469,305
Less: Accumulated Depreciation	(9,244,331)	(16,387,410)
Current Book Value	$15,392,040	$23,081,895

The schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2018 is presented on the following page.

Future minimum lease payments as of June 30, 2018:

Fiscal Year	Amount
2019	$4,184,942
2020	2,903,877
2021	2,373,015
2022	1,503,447
2023	1,251,132
2024-2030	4,303,241
Total minimum lease payments	16,519,654
Less amount representing interest	(1,431,933)
Present value of net minimum lease payments	$15,087,721

Periodically, the College enters into a capital lease to purchase information technology equipment for College facilities. Such property is capitalized at the present value of the minimum lease payments. The original capitalized cost of all such property under lease purchase agreements amounted to $3,000,000 and $1,203,000 in fiscal years 2018 and 2017 respectively.

Operating Leases – The College leases office space under non-cancelable operating leases. The College's annual rent expense under current leases was $648,495 for the year ended June 30, 2018. The College's future minimum rental payments under these operating leases with remaining terms in excess of one year as of June 30, 2018 are as follows:

Year	Amount
2019	$528,298
2020	528,298
Total	$1,056,596

The College also acted as the lessor for four operating lease agreements with outside entities during fiscal year 2018. The building cost associated with the operating leases is calculated using a proportionate share of leased space to total building space. As of June 30, 2018, the proportionate building cost associated with these operating leases had a total cost of $8,010,312 and accumulated depreciation totaling $2,077,731. As of June 30, 2017, the proportionate building cost associated with these operating leases had a total cost of $6,806,691 and accumulated depreciation of $1,878,621. The increase in leased building cost is due to the commencement of a new lease at the Corporate College West location.

On September 4, 2002, the College entered into a lease agreement to lease real estate to a third party. The lease is an operating lease which originally commenced on October 1, 2002. This lease was amended and restated on July 30, 2015. The amended and restated lease is for a period of three years with fixed monthly rentals of $12,030. The lease provides for four additional, annual renewals at the option of the tenant. The current lease term expires on December 31, 2018. Negotiations are currently pending for a renewed lease period of one year beginning Jan. 1, 2019, including modifications in leased space and terms, decreasing leased space from 7,218 square feet to 1,000 square feet. The renewal term is $25 per square foot. Rent revenue for this lease is projected to be $87,180 for fiscal year 2019. Rent revenue for this lease was $144,360 and $133,005 in fiscal years 2018 and 2017 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 with a lease term of five years and initial fixed monthly rentals of $1,800 for year one with an annual 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 $31,027 and $24,970 in fiscal years 2018 and 2017 respectively.

On October 26, 2011, the College entered into a lease agreement to lease the third floor and portions of the first floor of the Jerry Sue Thornton Center to a third party. The lease was an operating lease for the period of five years, with fixed annual rentals of $210,225 for the first two years and $193,425 for the final three years of the lease. The College terminated the month-to-month warehouse rental that was included in the lease agreement on March 8, 2016 which reduced monthly rent revenue by $895. The lessee has exercised an early termination option and the lease will be terminated as of October 31, 2018. Rent revenue for this lease was $211,624 and $203,321 in fiscal years 2018 and 2017 respectively.

On August 1, 2014, the College entered into a lease agreement to lease certain space within the College's Corporate College East location. This is an operating lease. The initial lease term agreement was for a five-year period with fixed annual rentals of $427,625 ending July 31, 2019 and included (4) five year renewal periods. The initial lease terms have been modified resulting in a decrease in leased space and a projected annual rent of $92,950 per lease year at $27.50 per square foot. This lease has been renewed for five years commencing on August 1, 2018 and expiring on July 31, 2023. Renewal options per the original lease agreement remain unchanged, with (3) five year renewal periods remaining. Rent revenue for this lease was $427,625 for both fiscal years 2018 and 2017.

On July 1, 2017, the College entered into a lease agreement to lease space within the Corporate College West location which includes (1) one-story office building, ("Office Building A"), (1) three-story office building, ("Office Building B"), a connecting atrium between Office Building A and Office Building B, and a portion of the ground floor of Office Building A. The lease is an operating lease commencing (10) lease years from and after July 1, 2017 and ending on June 30, 2027, with the first rental payment due August 1, 2017. The lease provides for two additional five year renewals at the option of the tenant. Rent for the initial term is in the amount of $104,800 annually, or $16 per square foot. In the event the tenant exercises the first extension period the annual rent shall be $108,075 annually, or $16.50 per square foot. In the event the tenant exercises the second extension period, the annual rent shall be $111,350 annually, or $17 per square foot. Rent revenue for fiscal year 2018 was $96,067.

On Dec. 20, 2016, the College entered into a partnership agreement with Tiffin University whereby Tiffin University offers courses toward undergraduate programs utilizing space within the College's Brunswick University Center and the College's Metropolitan Campus. Facility fees are $2,500 annually. The agreement commences at the beginning of the College's fall 2018 academic term and expires the last day of the College's spring 2019 term. Terms and conditions of the partnership agreement are reviewed annually by both parties.

On Dec. 22, 2016, the College entered into a partnership agreement with Franklin University whereby Franklin University offers courses toward undergraduate programs utilizing space within the College's Brunswick University Center. Facility fees are $2,500 annually. The agreement commences at the beginning of the College's fall 2018 academic term and expires the last day of the College's spring 2019 term. Terms and conditions of the partnership agreement are reviewed annually by both parties.

Note 14 – Other Employee Benefits

Compensated Absences

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

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

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

Health Care Benefits

The College has elected to provide a comprehensive medical benefits package to full-time employees through either a self-insured plan (see Note 15) or fully-insured programs. This package provides a choice of comprehensive medical plans, prescription and dental plans, and is administered by Sibson Consulting located in Cleveland, Ohio. The College maintained a specific stop-loss coverage per employee for medical benefits in the amount of $250,000 for fiscal years 2018 and 2017. Employees share in the cost of their coverage by payroll deductions, which are netted against the claims cost. The liability for self-insured employee health care is included in Claims and Other Liabilities on the College Statement of Net Position. The College provides basic life insurance for its employees and offers employees the option to purchase additional life insurance coverage.

Retiree Death Benefits

The College offers death benefits, through its self-insured program, to eligible retirees as its only postemployment benefit aside from pension and health benefits available through a multi-employer plan administered by the State of Ohio (OPERS and STRS plans). The College determined that this benefit meets the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and correspondingly it has been presented along with the State retiree benefit plans explained in Note 11.

Note 15 – Risk Management

Property and Liability

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of property; errors and omissions; injuries to third parties; automobile damage; commercial crime; and athletic injuries. As a risk transfer technique, the College contracted with various insurance underwriters in fiscal year 2018 for specific types of insurance.

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no reductions in insurance coverage from the prior year. Insurance policies in place during fiscal year 2018 include those listed below.

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

Self-Insurance

The College is self-insured for disability, workers' compensation, certain employee health care benefits and its retiree death benefit plan. 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 un-asserted 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 College's healthcare, workers' compensation and disability liabilities during fiscal years 2018, 2017 and 2016 based on claims, changes in estimates and claim payments follow. Details on retiree death benefits are presented in Note 11 along with other postemployment benefits.

	Health Care		
	2018	**2017**	**2016**
Liability at the beginning of year	$1,548,900	$1,448,627	$1,468,900
Current year claims, net of changes in estimates	11,463,539	9,611,544	10,398,447
Claim payments	(11,339,439)	(9,511,271)	(10,418,720)
Liability at end of year	$1,673,000	$1,548,900	$1,448,627

	Workers' Compensation		
	2018	**2017**	**2016**
Liability at the beginning of year	$337,924	$191,323	$246,706
Current year claims, net of changes in estimates	278,501	422,361	231,751
Claim payments	(275,760)	(275,760)	(287,134)
Liability at end of year	$340,665	$337,924	$191,323

	Disability		
	2018	**2017**	**2016**
Liability at the beginning of year	$431,000	$431,000	$522,000
Current year claims, net of changes in estimates	258,938	348,390	152,981
Claim payments	(258,938)	(348,390)	(243,981)
Liability at end of year	$431,000	$431,000	$431,000
Other claims and self-insured liabilities	$100,076	$143,873	$153,955
Retiree Death Benefit Reserve (2018 reclass)	*	*	$1,136,000
Total Self-Insured Liabilities other than OPEB	$2,544,741	$2,461,697	$3,360,905
Current Portion of Self-Insured Liabilities	$2,019,164	$1,955,839	$1,694,840
*Retiree Death Benefit Reserve (see Note 11) now reported separately as OPEB liability	$1,922,000	$1,164,000	$1,136,000

The College reports self-insured liabilities along with its other miscellaneous liabilities as Claims and Other Liabilities in its financial statements. Other miscellaneous liabilities include unclaimed funds and self-insured, professional liability totaling $100,076, $143,873 and $153,955 as of June 30, 2018, 2017 and 2016 respectively.

Note 16 – Contingencies

Grants

The College received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the College. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the College at June 30, 2018.

Pollution Remediation

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* the College is required to recognize and disclose estimated costs for cleanup of pollution that the College may have an obligation to remediate. In its efforts to refurbish and expand its facilities, the College works proactively to identify and address any environmental remediation obligations in a timely manner. Currently, the College is not aware of any projects that would warrant recognizing any additional obligations.

Litigation

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

Note 17 – Contractual Commitments

As of June 30, 2018 and 2017, the College had $68,510,969 and $27,038,118 in various contractual purchase commitments outstanding, respectively. The significant increase in both 2018 and 2017 contractual commitments is related to current capital improvement projects.

Project	Open Encumbrance at 6/30/2018	Open Encumbrance at 6/30/2017
Westshore Phase 2 Building Expansion	$27,923,381	$2,046,236
West Campus Science & IT Addition	24,159,014	1,886,447
Metro Campus Center Building Renovation	6,256,855	18,641,589
Truck Distribution & Logistics Academy	2,291,527	2,600
Equipment Capital Bond Levy	2,210,749	0
Professional Fees, Capital Plan	1,531,286	109,337
Deferred Maintenance	888,647	1,335,532
Infrastructure Maintenance Capital Bond Levy	732,991	0
Auto Tech Expansion	732,057	23,225
East Campus Laboratories	389,107	50,000
East Public Classrooms	276,680	0
East Education Center Upgrade	266,793	31,416
Advanced Technology Training Center Lab addition	265,082	607,383
Campus and General Furniture and Equipment	205,154	243,650
Public Safety Training Center, Phase 2	115,470	841,722
Metro Plaza Upgrades and Structural Renovation	113,801	67,060
Metro Campus Center Swing Space	4,198	566,629
Manufacturing Technology Center Consolidation	2,312	147,770
Crile Police and Fire Renovation	0	112,548
Various projects under $100,000	145,865	324,974
	$68,510,969	$27,038,118

Note 18 – Discretely Presented Component Unit

1. Description Of Organization

The Cuyahoga Community College Foundation (the "Foundation") was incorporated in August 1973 as a tax-exempt, nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code for the purpose of collecting donations from individuals, corporations, and foundations, located primarily in northeast Ohio, to be distributed as scholarships to persons attending Cuyahoga Community College (the "College"), and to be used for other purposes benefiting the College. The Foundation is a component unit of Cuyahoga Community College.

2. Summary of Significant Accounting Policies

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

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

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

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

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

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

2. Summary of Significant Accounting Policies – Continued

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

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

Investments—Investments of the unrestricted, temporarily restricted, and permanently restricted funds are pooled for making investment transactions and are carried at fair value with any realized or unrealized gains and losses reported in the statement of activities. Ten percent of the total interest and dividend income is allocated to the Foundation's General Operating Fund. The remaining interest and dividend income is allocated proportionally each month and is awarded according to the terms and conditions of the funds. For endowed funds, interest and dividend income and capital gains are considered temporarily restricted unless otherwise specified by the donor.

Contributions Receivable—Contributions received, including unconditional promises to give, are recognized as revenue by net asset class when the donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances. The Foundation provides for uncollectible pledges receivable using the allowance method. Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. Conditional promises are recorded when donor stipulations are substantially met. It is the Foundation's policy that an initial minimum balance of $50,000 be required to establish an endowment fund. The policy allows for an annual review to determine if the accumulation of contributions and interest meet the minimum principal balance requirements.

Beneficial Interest in Remainder Unitrust—The Foundation is the beneficiary of a charitable remainder unitrust for which the Foundation is not the trustee. The Foundation recognizes the present value of the estimated future benefits to be received when the unitrust assets are distributed as an asset with changes in the estimated fair value recorded as temporarily restricted contribution revenue.

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

2. Summary of Significant Accounting Policies – Continued

primarily generated through the annual Presidential Scholarship Luncheon (temporarily restricted) and through parking receipts generated from special events (unrestricted).

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

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

Annuities Payable—The Foundation is obligated under two annuity contracts, whereby donors have contributed cash to the Foundation with the agreement that the donors shall be the sole recipient of quarterly annuity payments. These quarterly payments, currently totaling $930 per year, shall terminate on the last payment date preceding the death of the donors. The discount rates used to estimate the obligations range from 1.4% to 2.4%.

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

Recent Accounting Pronouncements—For fiscal year 2018, the Foundation implemented FASB Accounting Standards Update (ASU) No. 2015-07, *"Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)"* (ASU 2015-07). The purpose of ASU 2015-07 is to remove the requirement to categorize within the fair value hierarchy all investments where fair value using the net asset value per share is used as a practical expedient. This ASU is effective for the Foundation for its fiscal year beginning after December 15, 2016 and requires retrospective treatment to all periods presented. The Foundation has fully adopted the provisions of ASU 2015-07 as of June 30, 2018 and has presented the financial statements in accordance with this new pronouncement.

2. Summary of Significant Accounting Policies – Continued

Recent Accounting Pronouncements (continued)—In August 2016, the FASB issued ASU 2016-14, *"Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities."* The purpose of ASU 2016-14 is to improve the current net asset classification requirements and the information presented in financial statements about a not-for-profit entity's liquidity, financial performance, and cash flows. Organizations may use either a full retrospective or a modified retrospective approach to adopt ASU 2016-14. This ASU is effective for the Foundation for its fiscal year beginning after December 15, 2017. The Foundation is evaluating the potential impact of adopting this guidance on its financial statements.

In May 2014, the FASB issued ASU 2014-09, "*Revenue from Contracts with Customers,"* which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2015-14 which deferred the effective date for the Foundation until annual periods beginning after December 15, 2018. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. The Foundation is evaluating the potential impact of adopting this guidance on its financial statements.

In June 2018, the FASB issued ASU 2018-08, "*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made,"* to address questions stemming from ASU 2014-09 regarding its implications on the grants and contracts of not-for-profit organizations. This ASU provides guidance on determining whether a transfer of assets is a contribution or an exchange transaction, and, if a contribution, whether the contribution is conditional. The ASU clarifies that a transfer of assets is an exchange transaction if the resource provider is receiving commensurate value in return for the resources transferred and provides points of consideration in making this determination. It also states that a contribution is conditional if the agreement includes both (a) a barrier that must be overcome before the recipient is entitled to the assets and (b) a right of return of the assets transferred and a right of release of a promisor's obligation to transfer assets. This ASU is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. Retrospective application of the amendments in this update is permitted, although a modified prospective application is recommended. The Foundation is evaluating the potential impact of adopting this guidance on its financial statements.

Subsequent Events—The Foundation has evaluated subsequent events through November 29, 2018, which is the date the financial statements were available to be issued.

3. Investments

For investment purposes, assets of the various unrestricted, temporarily restricted and permanently restricted classifications are pooled. Realized and unrealized gains and losses and investment income are allocated according to the net asset classifications of the individual funds until appropriated and disbursed in accordance with the agreements of the donors.

Description	2018	2017
Mutual Funds	$65,573,022	$57,964,998
Common Stock	402,451	338,770
Alternative Investments	7,848,507	8,108,932
Total	$73,823,980	$66,412,700

The investments are exposed to various risks such as interest rate, market, and credit risks. The Foundation is required to give up to 95 days advance notice of its intent to withdraw from the alternative investments.

4. Contributions Receivable

For fiscal years 2018 and 2017, the recorded value of contributions receivable is the present value of estimated future cash receipts using a discount rate of 4.75%. Management has established an allowance of 0.5% of gross contributions receivable for uncollectible promises to give. Amounts due are as follows:

	2018	2017
Less than one year	$2,266,633	$2,619,430
One to five years	1,556,204	2,257,203
Six to ten years	0	90,076
Totals	3,822,837	4,966,709
Unamortized Discount	(177,418)	(274,264)
Allowance for Uncollectible Pledges	(19,114)	(24,834)
Total	$3,626,305	$4,667,611

5. Beneficial Interest In Remainder Unitrust

The beneficial interest in the charitable remainder unitrust totaled $417,695 and $458,438 at June 30, 2018 and 2017, respectively, representing the estimated portion of the unitrust for which the Foundation is the designated beneficiary.

6. Cash Surrender Value of Insurance

The Foundation is the owner of certain life insurance policies on various donors who have named the Foundation as beneficiary. These policies are valued at their cash surrender values. The cash surrender value of these policies totaled $137,785 and $141,780 at June 30, 2018 and 2017, respectively.

7. Related Party Transactions

The Foundation recognized contributions and special events revenue from the College during the years ended June 30, 2018 and 2017 of $890,761 and $870,874, respectively. The amounts owed to the Foundation as of June 30, 2018 and 2017 are $40,013 and $54,005, respectively, which are reported as due from related party on the statements of financial position.

The Foundation recognizes contributed services received from the College when those services (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by College employees possessing those skills, and would typically need to be purchased if not provided by the donation. The Foundation recognized $242,335 and $227,268 of contributed services as contribution revenue and as administrative, general, and fundraising expenses in fiscal years 2018 and 2017.

The Foundation received grants restricted for educational development programs at the College from various donors of $2,570,720 and $3,532,134 in fiscal years 2018 and 2017, respectively. These grants are classified as temporarily restricted until the College meets certain conditions. The undistributed amounts for which the College has met the conditions are $1,404,754 and $2,937,540 as of June 30, 2018 and 2017, respectively, which are reported as due to related party on the statements of financial position.

8. Net Assets

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

	2018	2017
Scholarships	$1,900,910	$1,500,549
Educational Development	2,444,104	4,840,294
Special Events	157,605	10,699
Other	77,401	34,546
Totals	$4,580,020	$6,386,088

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

	2018	2017
Scholarships	$57,707,476	$53,456,134
Educational Development	6,029,483	4,852,775
Special Events	778,102	598,376
Totals	$64,515,061	$58,907,285

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

	2018	2017
Scholarships	$3,370,249	$3,037,160
Educational Development	11,500,000	11,500,000
Totals	$14,870,249	$14,537,160

9. Investment Objectives and Endowment Funds

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

- To generate a minimum annual real rate of return of approximately 5.0% after deducting for advisory, money management, custodial fees, and total transaction costs.

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

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

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

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

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

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds

9. Investment Objectives and Endowment Funds – continued

Act (UPMIFA). In accordance with UPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported as a reduction of unrestricted net assets. There were no deficits of this nature in fiscal years 2018 or 2017.

The Foundation's endowment fund activity was as follows for the year ended June 30, 2018:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$0	$52,720,027	$14,203,826	$66,923,853
Investment return:				
Investment income	0	1,250,761	0	1,250,761
Net appreciation (realized and unrealized)	0	2,964,023	0	2,964,023
Total investment return	0	4,214,784	0	4,214,784
Contributions and transfers	0	2,736,158	541,702	3,277,860
Appropriation of endowment assets for expenditure	0	(1,338,275)	0	(1,338,275)
Endowment net assets, end of year	$0	$58,332,694	$14,745,528	$73,078,222

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

	2018
Permanently restricted net assets within the endowment fund	$14,745,528
Permanently restricted contributions included in pledges receivable	124,721
Total permanently restricted net assets	$14,870,249

9. Investment Objectives and Endowment Funds – continued

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

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

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

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

10. Investments and Fair Value Measurements

Generally accepted accounting principles provides a framework for measuring fair value, requires disclosure about fair value measurements, and establishes a three level hierarchy for disclosure to show the extent and the level of judgment used to estimate fair value measurements:

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

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

10. Investments and Fair Value Measurements – continued

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.

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 following is a description of the valuation methodologies used for instruments measured at fair value:

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

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

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

Alternative Investments—Alternative investments do not have readily determined fair values as they are not listed on national exchanges or over-the-counter markets. Fair value has been determined based on the individual fund’s net asset valuation provided by the investment managers, based on the guidelines established by those investment managers. As a result, the Foundation has not classified these investments within the fair value hierarchy. The Foundation obtains and considers the audited financial statements of these investments when evaluating the overall reasonableness of the carrying value. The fund’s annual financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and the underlying investments are reported at fair value.

Beneficial Interest in Charitable Remainder Unitrust—The fair value of the beneficial interest in the charitable remainder unitrust is estimated at the present value of the projected proceeds that will be received from the unitrust as calculated annually according to IRS Publication 1458, *Actuarial Valuations*. As such, the fair value of the beneficial interest is considered to be determined based on Level 3 inputs.

10. Investments and Fair Value Measurements – continued

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

Measured at Fair Value	As of June 30, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments:				
Common Stock	$402,451	$0	$0	$402,451
Equity Mutual Funds				
Domestic Large-Cap	20,463,662	0	0	20,463,662
Domestic Mid-Cap	3,094,979	0	0	3,094,979
Domestic Small-Cap	2,724,163	0	0	2,724,163
Long-Short Equity	3,622,615	0	0	3,622,615
Global	3,945,030	0	0	3,945,030
International	14,698,165	0	0	14,698,165
Fixed Income Mutual Funds	17,024,408	0	0	17,024,408
Total Investments	$65,975,473	$0	$0	$65,975,473
Beneficial Interest in Remainder Unitrust	0	0	417,695	417,695
Cash Surrender Value of Insurance	0	0	137,785	137,785
Total Measured at Fair Value	$65,975,473	$0	$555,480	$66,530,953

Measured at Net Asset Value

	Unfunded Commitments	**Redemption Notice Period**	**Redemption Frequency**	**Net Asset Value**
Alternative Investments Instituional, L.P.	$0	90 days	Semi-Annually	$226,421
Maverick Stable Fund, Ltd	0	95 days	Quarterly	4,115,600
Standard Life Investments Global Absolute Return Strat	0	5 - 30 days	Monthly	3,506,486
Total Measured at Net Asset Value				$7,848,507

10. Investments and Fair Value Measurements – continued

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

Measured at Fair Value	**As of June 30, 2017**			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments:				
Common Stock	$338,770	$0	$0	$338,770
Equity Mutual Funds				
Domestic Large-Cap	18,271,623	0	0	18,271,623
Domestic Mid-Cap	2,801,756	0	0	2,801,756
Domestic Small-Cap	2,227,987	0	0	2,227,987
Long-Short Equity	1,761,238	0	0	1,761,238
Global	3,865,150	0	0	3,865,150
International	13,246,122	0	0	13,246,122
Fixed Income Mutual Funds	15,791,122	0	0	15,791,122
Total Investments	$58,303,768	$0	$0	$58,303,768
Beneficial Interest in Remainder Unitrust	0	0	458,438	458,438
Cash Surrender Value of Insurance	0	0	141,780	141,780
Total Measured at Fair Value	$58,303,768	$0	$600,218	$58,903,986

Measured at Net Asset Value	**Unfunded Commitments**	**Redemption Notice**	**Redemption Frequency**	**Net Asset Value**
Alternative Investments				
Instituional, L.P.	$0	90 days	Semi-Annually	$4,530,801
Standard Life Investments				
Global Absolute Return Strate	0	5 - 30 days	Monthly	3,578,131
Total Measured at Net Asset Value				$8,108,932

10. Investments and Fair Value Measurements – continued

For the years ended June 30, 2018 and 2017, the changes in assets measured using significant unobservable inputs (Level 3) were as follows:

	2018	2017
Beginning Balance	$600,218	$518,710
Purchases	0	0
Sales	0	0
Unrealized (Losses) Gains	(44,738)	81,508
Ending Balance	$555,480	$600,218

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

Maverick Stable Fund, Ltd. is a Cayman Islands exempted company with limited liability that was organized in May 2002. This company's objective is to preserve and grow capital by identifying high-quality investment managers with above-average investment histories and investing assets in private investment vehicles managed by such portfolio managers. There are currently no redemption restrictions other than the required notice period.

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

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Required Supplementary Information

Cuyahoga Community College implemented the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB 27.* For fiscal year 2018, the College implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, an amendment of GASB 45.*

This Section of the Cuyahoga Community College Comprehensive Annual Financial Report presents supplementary information as a context for further understanding of the College's implementation of GASB Statement No. 68 and GASB Statement No. 75.

Cuyahoga Community College

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

Public Employees Retirement System of Ohio (OPERS)

Last Five Years [1]

Traditional Pension Plan

June 30	College's Proportion of the Net Pension Liability	College's Proportionate Share of the Net Pension Liability	Covered Payroll[2]	College's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.513851%	$80,613,260	$67,311,518	119.76%	84.66%
2017	0.483713%	109,843,000	67,488,751	162.76%	77.25%
2016	0.487152%	84,380,870	65,681,465	128.47%	81.08%
2015	0.493176%	59,482,538	64,793,902	91.80%	86.45%
2014	0.493176%	58,139,025	63,947,879	90.92%	86.36%

Combined Pension Plan

June 30	College's Proportion of the Net Pension Liability (Asset)	College's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll[2]	College's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	(0.478904%)	($651,943)	$1,961,482	(33.24%)	137.28%
2017	(0.467523%)	(260,208)	1,820,490	(14.29%)	116.60%
2016	(0.487100%)	(237,033)	1,772,645	(13.37%)	116.90%
2015	(0.493176%)	(189,884)	1,730,404	(10.97%)	114.83%
2014	(0.450200%)	(198,967)	1,716,834	(11.59%)	104.72%

(1) GASB Statement No. 68, *Accounting and Financial Reporting for Pension, was effective beginning in 2014.* Although this schedule is intended to present information for ten years, information prior to 2014 was not available.

(2) The College's proportionate share of OPERS Net Pension Liability is based on December 31 measurement date of the prior year.

See accompanying note to the required supplementary information.

Cuyahoga Community College

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

State Teachers Retirement System of Ohio

Last Five Years (1)

All Plans					
June 30	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.531210%	$126,190,005	$59,359,629	212.59%	75.30%
2017	0.538902%	180,386,795	58,878,338 (2)	306.37%	66.80%
2016	0.539740%	149,168,420	58,368,305 (2)	255.56%	72.10%
2015	0.542760%	132,018,030	58,826,877 (2)	224.42%	74.70%
2014	0.542760%	157,259,014	57,442,977	273.77%	69.30%

(1) GASB Statement No. 68, *Accounting and Financial Reporting for Pension, was effective beginning in 2014.* Although this schedule is intended to present information for ten years, information prior to 2014 was not available. Amounts presented for each fiscal year were determined as of the College's measurement date for the prior year STRS plan which has a fiscal year end of June 30.

(2) Correction to computed covered payroll to account for alternative retirement plan covered employees whose mitigating rate is sent to the retirement fund.

See accompanying notes to the required supplementary information.

Cuyahoga Community College

Schedule of College Contributions to Pensions

Public Employees Retirement System of Ohio (OPERS)

Last Ten Fiscal Years

Traditional Pension Plan

June 30	Contractually Required Contributions[1]	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll[2]	Contributions as a Percent of Covered Payroll
2018	$8,992,384	$8,992,384	-	$66,266,066	13.6%
2017	7,987,032	7,987,032	-	63,439,492	12.6%
2016	8,149,241	8,149,241	-	67,404,805	12.1%
2015	7,835,651	7,835,651	-	64,811,009	12.1%
2014	7,738,698	7,738,698	-	64,062,070	12.1%
2013	8,230,683	8,230,683	-	62,877,639	13.1%
2012	6,508,918	6,508,918	-	64,508,603	10.1%
2011	6,286,079	6,286,079	-	62,300,089	10.1%
2010	5,455,794	5,455,794	-	60,085,837	9.1%
2009	4,528,351	4,528,351	-	52,777,984	8.6%

Combined Pension Plan

	Contractually Required Contributions[1]	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll[2]	Contributions as a Percent of Covered Payroll
2018	$259,451	$259,451	-	$1,911,930	13.6%
2017	231,564	231,564	-	1,852,509	12.5%
2016	227,864	227,864	-	1,898,868	12.0%
2015	220,845	220,845	-	1,840,378	12.0%
2014	202,174	202,174	-	1,617,388	12.5%
2013	172,128	172,128	-	1,679,293	10.3%
2012	126,177	126,177	-	1,682,363	7.5%
2011	172,941	172,941	-	2,002,794	8.6%
2010	159,692	159,692	-	1,677,440	9.5%
2009	151,789	151,789	-	1,747,712	8.7%

(1) Employer contributions are the same as contractually required contributions.

(2) Covered payroll is for the College's fiscal year obligation.

See accompanying notes to the required supplementary information.

Cuyahoga Community College

Schedule of College Contributions to Pensions

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

All Plans					
June 30	Contractually Required Contributions[1]	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll[2]	Contributions as a Percent of Covered Payroll
2018	$8,201,568	$8,201,568	-	$60,727,066	13.51%
2017	8,010,719	8,010,719	-	59,359,629 [3]	13.50%
2016	7,949,331	7,949,331	-	58,878,338 [3]	13.50%
2015	7,883,799	7,883,799	-	58,368,305 [3]	13.51%
2014	7,647,494	7,647,494	-	58,826,877	13.00%
2013	7,467,587	7,467,587	-	57,442,977	13.00%
2012	7,692,021	7,692,021	-	59,169,392	13.00%
2011	7,676,859	7,676,859	-	59,052,762	13.00%
2010	7,317,183	7,317,183	-	56,286,023	13.00%
2009	6,514,097	6,514,097	-	50,108,438	13.00%

(1) Employer contributions are the same as contractually required contributions.

(2) Covered payroll is for the College's fiscal year obligation and includes ARP applicable wages.

(3) Correction to computed covered employee payroll to account for alternative retirement plan covered employees whose mitigating rate is sent to the retirement fund.

See accompanying notes to the required supplementary information.

Cuyahoga Community College

Schedule of College's Proportionate Shate of the Net OPEB Liability*

Public Employees Retirement System of Ohio (OPERS)

Last Two Years [1]

All Plans					
June 30[2]	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll[2]	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2018	0.517880%	$56,237,953	$72,783,866	77.27%	54.14%
2017	0.490415%	49,533,591	67,253,952	73.65%	n/a

*OPEB is an abbreviation for Other Postemployment Benefits other than pensions.

(1) This is a ten-year schedule - however, the information is not required to be presented retroactively. Although this schedule is intended to present information for ten years, information prior to 2017 was not available.

(2) The College's proportionate share of OPERS Net OPEB liability is based on December 31 measurement date of the prior year.

See accompanying notes to the required supplementary information.

Cuyahoga Community College

Schedule of College's Proportionate Shate of the Net OPEB Liability*

State Teachers Retirement System of Ohio

Last Two Years [1]

All Plans					
June 30[2]	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2018	0.531210%	$20,725,843	$59,359,629	34.92%	47.10%
2017	0.538902%	28,820,628	58,878,338	48.95%	37.30%

*OPEB is an abbreviation for Other Postemployment Benefits other than pensions.

[1] This is a ten-year schedule - however, the information is not required to be presented retroactively. Although this schedule is intended to present information for ten years, information prior to 2017 was not available.

[2] The College's proportionate share of STRS Net OPEB liability is based on June 30 measurement date of the prior

See accompanying notes to the required supplementary information.

Cuyahoga Community College

*Schedule of College Contributions to OPEB**

Public Employees Retirement System of Ohio (OPERS)

Last Two Fiscal Years

All Plans					
June 30	Contractually Required Contributions	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll[1]	Contributions as a Percent of Covered Payroll
2018	$489,581	$489,581	$0	$70,812,210	0.69%
2017	1,094,678	1,094,678	0	67,253,952	1.63%

*OPEB is an abbreviation for Other Postemployment Benefits other than pensions.

(1) Covered payroll is for the December 31 measurment period.

(2) Although this schedule is intended to present information for ten years, information prior to 2017 was not available. This schedule will be populated in subsequent years.

See accompanying note to the required supplementary information.

Cuyahoga Community College

*Schedule of College Contributions to OPEB**

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

All Plans					
June 30	Contractually Required Contributions	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll[1]	Percent of Covered Payroll [2]
2018	$0	$0	$0	$60,727,066	0.00%
2017	0	0	0	59,359,629	0.00%
2016	0	0	0	58,878,338	0.00%
2015	0	0	0	58,368,305	0.00%
2014	0	0	0	58,826,877	0.00%
2013	574,430	574,430	0	57,442,977	1.00%
2012	591,694	591,694	0	59,169,392	1.00%
2011	590,528	590,528	0	59,052,762	1.00%
2010	562,860	562,860	0	56,286,023	1.00%
2009	501,084	501,084	0	50,108,438	1.00%

*OPEB is an abbreviation for Other Postemployment Benefits other than pensions.

(1) Covered payroll is for the College's fiscal year obligation.

(2) STRS' Board of Trustees reduced the rate to be allocate to health care in 2014 to address pension funding shortfall.

See accompanying notes to the required supplementary information.

Cuyahoga Community College

Schedule of Changes in Net OPEB Liability*

College Retiree Death Benefit Plan

Fiscal Year 2018 [(1)]

	2018
Total OPEB Death Benefit Liability	
Service cost	$68,000
Interest on Net OPEB	39,000
Changes in Expected vs Actual Experience and funding estimates	(1,500)
Annual OPEB Cost	105,500
Benefit Payments	(27,500)
Net Change in Total OPEB Liability	78,000
Total OPEB Liability - Beginning[(2)]	1,844,000
Total OPEB Liability - Ending	$1,922,000
Plan Position	
Contributions by Employer[(3)]	$27,500
Benefit Payments	(27,500)
Net Change in Plan Net Position	0
Plan Net Position - Beginning	0
Plan Net Position - Ending	$0
College's Net OPEB Liability	$1,922,000
Plan Net Position as a percentage of the OPEB Death Benefit Liability	0.0%
Covered Employee Payroll	n/a

* OPEB is an abbreviation for Other Postemployment Benefits other than pensions.

(1) The schedule is intended to show ten years of activity and will be expanded as additional years are added.

(2) In fiscal year 2018, the College restated the beginning liability to include active employees based on actuarial calculation of the present value of OPEB benefits.

(3) As a self-insured funder of this liability, the College pays all eligible claims and establishes a reserve equivalent to the actuarial accrued liability but does not set aside separately identified assets to meet potential future claims.

See accompanying notes to the required supplementary information.

Cuyahoga Community College

Schedule of the Net OPEB Liability*

College Retiree Death Benefit Plan

Last Ten Fiscal Years

Retiree Death Benefit Plan			
June 30[1]	Total OPEB Liability	Covered Employee Payroll	Net OPEB Liability as a Percentage of Covered Payroll[2]
2018[4]	$1,922,000	$107,703,076	1.78%
2017	1,844,000	108,577,289	1.70%
2016	1,789,000	101,419,072	1.76%
2015	1,758,000	99,080,676	1.77%
2014	1,741,000	96,807,334	1.80%
2013	1,724,000	74,674,740	2.31%
2012	1,656,000	71,990,964	2.30%
2011	1,595,000	72,339,195	2.20%
2010	1,529,000	69,993,459	2.18%
2009	1,575,000	66,734,720	2.36%

*OPEB is an abbreviation for Other Postemployment Benefits other than pensions.

(1) The College Retiree Death Benefit Liability was measured on April 30 of each reported year based on actuarial data and assumptions, see Note 10.

(2) Only retirees and their beneficiaries are eligible for the College death benefit. Retirees are not included in Covered Employee Payroll.

(3) The College self-insures it's Retiree Death Benefits and allocates resources as and when required on a Pay-As-You-Go basis. The College Retiree Death Benefit is not a Fiduciary Plan.

(4) The College implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in 2018 and accordingly recorded the additional liability associated with the Actuarial Accrued Liability of active employees not yet eligble.

See accompanying notes to the required supplementary information.

Cuyahoga Community College

Schedule of Funding of the Net OPEB Liability*

College Retiree Death Benefit Plan

Last Ten Years

All Plans					
June 30	Actuarial Value of Assets[2]	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio[2]	Covered Payroll[3]
2018[1]	$0	$1,922,000	n/a	n/a	n/a
2017	0	1,844,000	1,844,000	0.00%	$108,577,289
2016	0	1,789,000	1,789,000	0.00%	101,419,072
2015	0	1,758,000	1,758,000	0.00%	99,080,676
2014	0	1,741,000	1,741,000	0.00%	96,807,334
2013	0	1,724,000	1,724,000	0.00%	74,674,740
2012	0	1,656,000	1,656,000	0.00%	71,990,964
2011	0	1,595,000	1,595,000	0.00%	72,339,195
2010	0	1,529,000	1,529,000	0.00%	69,993,459
2009	0	1,575,000	1,575,000	0.00%	66,734,720

*OPEB is an abbreviation for Other Postemployment Benefits other than pensions.

(1) The College implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits* Other Than Pensions, in 2018 and accordingly recorded the additional liability associated with the Actuarial Accrued Liability of employees not yet eligble (see page 135 for GASB 75 reporting). For fiscal year 2017 and prior, reporting followed GASB 45 requirements and are shown on this schedule.

(2) The College self-insures it's Retiree Death Benefits and allocates resources as and when required. The College does not set aside specific assets to fund this future liability but utilizes current resources when necessary.

(3) Only retirees and their beneficiaries are eligible for the College death benefit. Benefits are not based on covered payroll.

See accompanying notes to the required supplementary information.

Ohio's Public Employment Retirement Systems (OPERS) Pension & Postemployment Benefits:

Changes in Assumptions – OPERS Traditional and Combined Plans, Net Pension Liability

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

Key Methods and Assumptions in Valuing Total Pension Liability - 2017 measurement

Actuarial Information	Traditional Plan	Combined Plan
Valuation Date	December 31, 2017	December 31, 2017
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.50%	7.50%
Wage Inflation	3.25%	3.25%
Projected Salary Increase	3.25 - 10.75% (includes 3.25% wage inflation)	3.25 - 8.25% (includes 3.25% wage inflation)
COLA:		
Pre-Jan 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.15% Simple	3% Simple through 2018 then 2.15% Simple

Key Methods and Assumptions in Valuing Total Pension Liability - 2016 Measurement

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

The 2017 measurement assumptions are reflected in the 2018 liabilities in Notes 10, 11 and RSI tables. Likewise, 2016 measurement assumptions are reflected in 2017 liabilities.

***Mortality rates* -** Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

With regard to OPERS OPEB assumptions, actuarial valuations as of December 31, 2016 were rolled-forward to December 31, 2017. The assumptions used in the valuation were based on the results of an actuarial experience study for the five year period ended December 31, 2015.

Mortality tables and rates were the same as those applied in the actuarial valuation of pensions.

State Teachers' Retirement Systems (STRS) Pension & Postemployment Benefits:

Changes in Assumptions – STRS, Net Pension Liability

Amounts reported for fiscal year 2018 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

	Fiscal Year 2018	**Fiscal Year 2017 and Prior**
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date.

The information presented in the required supplemental schedule was determined as part of the actuarial valuation for the dates indicated.

For fiscal year 2018 post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70% of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Changes in Assumptions – STRS, Net OPEB Liability

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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Statistical Section

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

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

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

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

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

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

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

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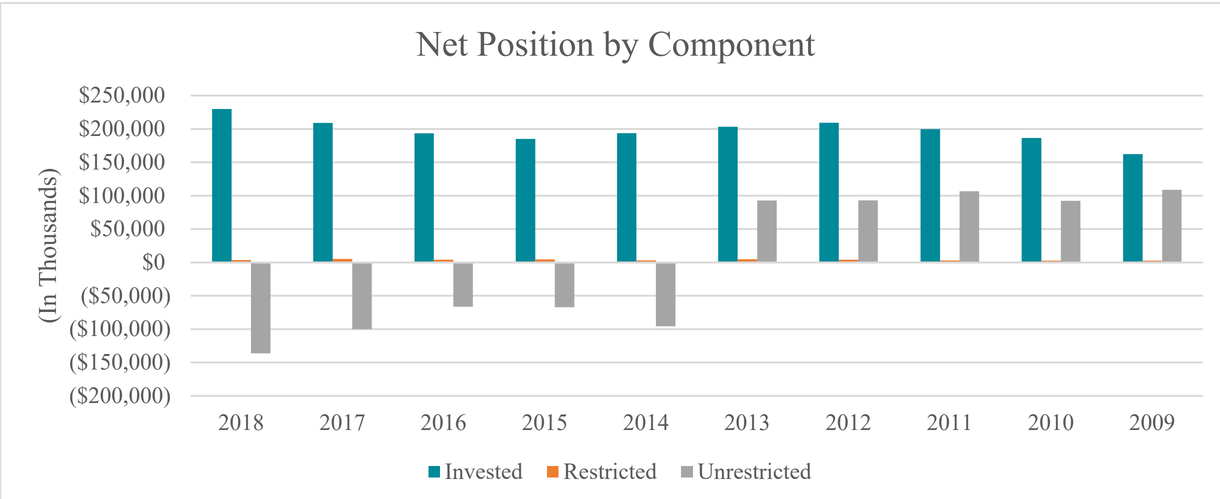
Statistical Section

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

	2018 [1] [2]	2017 [1][2]	2016 [1]	2015 [1]
Net Investment in Capital Assets	$230,094	$209,165	$193,448	$185,116
Restricted for Other Purposes - Expendable	3,499	5,114	4,026	4,443
Unrestricted (Deficit)	(136,186)	(100,053)	(66,382)	(67,248)
Total Net Position[3]	$97,407	$114,226	$131,092	$122,311



Source: College Financial Audit Reports

(1) The effects of GASB 68 are presented for fiscal years beginning in 2014. By recording the proportionate share of net pension liability and deferred outflows and inflows associated with the State pension funds, Unrestricted Net Position resulted in deficits since implementation.

(2) The effects of GASB 75 are presented for fiscal year 2018. GASB 75 required a restatement in 2017 ending net position as a result of the cumulative effect of this change in accounting principle. The cumulative change reduced FY17 ending net position $78.7 million from $114.2 million to $35.5 million as restated in the financial statements. (See Note 2 to the financial statements for additional details on this restatement.)

(3) Minor differences in totals may result due to rounding to thousands. Financial statements are presented in whole dollars.

2014 [1]	2013	2012	2011	2010	2009
$193,676	$203,309	$209,467	$199,797	$186,530	$162,435
2,949	4,711	3,956	2,760	2,528	2,598
(95,674)	92,715	92,933	106,702	92,340	108,742
$100,951	$300,735	$306,356	$309,259	$281,398	$273,775

Cuyahoga Community College

Schedule of Expenses by Program

Last Ten Fiscal Years (Dollars in Thousands)

	2018 (2)(3)	**2017** (2)	**2016** (2)	**2015** (2)
Instruction and Department Research	$47,281	$96,972	$91,430	$89,337
Public Service	14,485	14,292	13,453	11,502
Academic Support	13,729	29,035	24,394	23,056
Student Services	26,660	26,375	24,582	22,825
Institutional Support	57,245	54,386	47,665	42,173
Operation and Maintenance of Plant	32,808	32,340	27,976	26,427
Student Aid	22,994	26,972	31,173	34,842
Depreciation	21,280	23,186	23,891	23,585
Auxiliary Enterprises	11,509	12,416	13,517	14,249
Total Operating Expenses	247,991	315,974	298,081	287,996
Interest on Capital Debt	7,351	4,902	5,513	6,272
Other	0	384	0	0
Total Nonoperating Expenses	7,351	5,286	5,513	6,272
Total Expenses	$255,342	$321,260	$303,594	$294,268

Source: College Financial Audit Reports

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

(2) The College implemented GASB 68 for fiscal year 2015 and forward which required an adjustment to operating expenses for proportionate share of net pension liabilities. As a result of GASB 68, the proportionate share of pension expense reflected in operating income was $ 3.9 million, $18.2 million, $32.3 million and negative $35.3 million for fiscal years 2015, 2016, 2017 and 2018 respectively.

(3) The College implemented GASB 75 for fiscal year 2018 which required an adjustment to operating expenses for proportionate share of post employment liabilities. The cumulative change in accounting principles resulted in a reduction in net position of $78.7 million followed by a decrease in expense in fiscal year 2018 of $1.1 million.

2014	2013	2012	2011 [1]	2010	2009
$91,090	$89,668	$88,810	$87,056	$81,905	$77,391
13,570	15,367	21,060	16,994	12,819	10,078
23,150	22,841	23,967	24,051	22,325	21,694
22,719	22,348	21,429	21,713	21,180	19,950
44,132	42,595	40,242	38,793	37,130	37,759
28,224	24,784	24,434	25,358	27,977	28,207
39,543	39,412	40,588	46,092	35,877	30,658
24,015	24,948	21,566	21,267	20,165	15,895
14,489	15,328	15,473	16,143	14,512	12,966
300,932	297,291	297,569	297,467	273,890	254,598
6,521	6,609	6,351	5,711	3,375	3,028
0	123	0	0	197	27
6,521	6,732	6,351	5,711	3,572	3,055
$307,453	$304,023	$303,920	$303,178	$277,462	$257,653

Cuyahoga Community College

Schedule of Revenues by Source

Last Ten Fiscal Years (Dollars in Thousands)

	2018	2017	2016	2015
Student Tuition and Fees	$40,141	$43,107	$44,035	$46,498
Federal Grants and Contracts	8,196	8,437	8,808	8,964
State Grants and Contracts	1,117	1,355	1,686	1,376
Local Grants and Contracts	65	7	0	0
Private Grants and Contracts	4,362	6,244	5,009	6,474
Sales and Services	6,941	7,391	7,333	7,221
Auxiliary Enterprises	12,751	14,135	15,555	16,508
Other Operating Revenues	3,170	3,193	3,469	3,758
Total Operating Revenues	76,743	83,869	85,895	90,799
State Appropriations	72,105	71,092	67,814	63,828
Property Taxes	117,641	94,495	111,972	101,588
Federal Grants and Contracts	32,540	36,205	43,250	49,437
State Grants and Contracts	605	595	163	40
Gain on Sale of Assets	0	0	0	0
Unrestricted Investment Income	5,472	8,897	(454)	2,550
Restricted Investment Income	1,350	22	13	12
Other Nonoperating Revenues	79	0	108	61
Total Nonoperating Revenues	229,792	211,306	222,866	217,516
Total Revenues	$306,535	$295,175	$308,761	$308,315

Source: College Financial Audit Reports

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

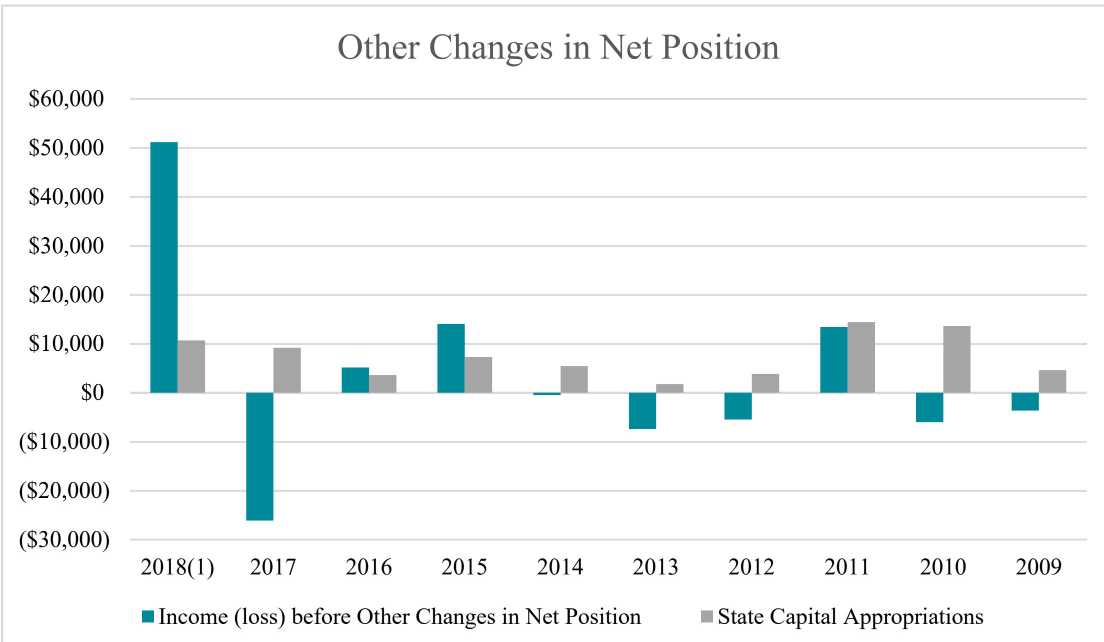
2014	2013	2012	2011 [1]	2010	2009
$49,098	$46,972	$41,911	$42,000	$40,906	$36,859
9,304	11,183	16,856	13,538	9,349	7,004
1,007	962	1,010	4,186	680	875
97	32	0	35	1	48
3,318	5,055	4,469	3,818	3,067	3,871
6,881	6,960	7,197	6,368	6,117	5,989
16,814	17,646	16,529	16,863	15,551	13,349
3,389	2,756	2,575	2,270	1,716	1,990
89,908	91,566	90,547	89,078	77,387	69,985
59,457	57,515	56,217	61,610	61,257	63,465
93,359	84,017	87,092	94,645	81,327	81,012
53,195	55,940	59,547	63,335	48,740	32,394
0	9	0	(213)	(172)	8,706
28	0	3,598	0	0	0
10,979	7,502	1,067	7,630	2,547	(1,711)
6	6	72	201	386	195
61	89	343	346	0	0
217,085	205,078	207,936	227,554	194,085	184,061
$306,993	$296,644	$298,483	$316,632	$271,472	$254,046

Cuyahoga Community College

Schedule of Other Changes in Net Position

Last Ten Fiscal Years (Dollars in Thousands)

	2018[1]	2017	2016	2015
Income (loss) before Other Changes in Net Position[2]	$51,193	($26,085)	$5,167	$14,046
State Capital Appropriations	10,678	9,219	3,614	7,314
Total Change in Net Position	$61,871	($16,866)	$8,781	$21,360



Source: College Financial Audit Reports

[1] Increase in operating results includes a net $49.1 million reduction in expense due to allocation of proportionate share of net favorable changes in State run pension and OPEB (other post-employment benefit) plans' funded positions. College employees participate in the OPERS, STRS or alternative plans.

[2] Minor differences in totals may result due to rounding to thousands. Financial statements are presented in whole dollars.

2014	2013	2012	2011	2010	2009
($459)	($7,379)	($5,437)	$13,454	($5,990)	($3,606)
5,427	1,757	3,869	14,407	13,613	4,592
$4,968	($5,622)	($1,568)	$27,861	$7,623	$986

Cuyahoga Community College

Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years (Dollars in Thousands)

	Real Property				**Tangible Personal Property**	
					General Business	
	Assessed Value					
Collection Year	Residential/ Agricultural	Commercial/ Industrial	Total	Estimated Actual Value	Assessed Value	Estimated Actual Value
2018	$18,843,520	$7,880,857	$26,724,377	$76,355,363	$0	$0
2017	18,837,520	7,727,214	26,564,734	75,899,239	0	0
2016	18,786,257	7,801,504	26,587,761	75,965,031	0	0
2015	18,473,813	8,364,776	26,838,589	76,681,683	0	0
2014	18,485,315	8,368,656	26,853,971	76,725,631	0	0
2013	18,501,991	8,392,052	26,894,043	76,840,123	0	0
2012	20,303,527	8,795,069	29,098,596	83,138,846	0	0
2011	20,388,242	8,764,928	29,153,170	83,294,771	0	0
2010	20,379,863	8,559,342	28,939,205	82,683,443	0	0
2009	22,070,872	8,427,518	30,498,390	87,138,257	766,539	12,264,624

Real property is reappraised every six years with a State mandated update of the current market value in the third following each appraisal. Property taxes in Cuyahoga County were revalued during the 2015 triennial property value update. Most properties in Cuyahoga County experienced a reduction in property values.

The assessed value of real property (including public utility real property) is 35 percent of true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. Tangible personal property was assessed in previous years at 25 percent for machinery. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 6.25 percent for 2008 and zero for 2009.

Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and interexchange telephone companies at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax was 2010).

The tangible personal property values associated with each year were values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and the homestead exemptions before being billed.

*Minor differences in totals may result due to rounding to thousands. Table of expected collections are presented in Note 9, Property Taxes and Abatements.

Tangible Personal Property Public Utility		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
$1,153,892	$1,311,241	$27,878,269	$77,666,604	$4.4669
1,059,011	1,203,421	27,623,744 *	77,102,660	3.9599
938,390	1,066,352	27,526,151	77,031,384	3.9619
894,864	1,016,891	27,733,453	77,698,574	3.9970
840,870	955,534	27,694,841	77,681,166	3.0897
758,430	861,852	27,652,473	77,701,975	3.0869
698,069	793,260	29,796,665	83,932,106	3.0639
673,171	764,967	29,826,341	84,059,738	3.0639
654,490	743,739	29,593,695	83,427,181	2.6596
615,400	699,318	31,880,329	100,102,199	2.5880

Cuyahoga Community College

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

	2018		2017		2016		2015	
	Gross Rate	Effective Rate (1)	Gross Rate	Effective Rate (1)	Gross Rate	Effective Rate (1)	Gross Rate	Effective Rate (1)
Voted Millage - by Levy								
2002 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Commercial/Industrial	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Tangible/Public Utility Personal	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2005 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	$1.2000	$1.1871	$1.2000	$1.1838	$1.2000	$1.1828	$1.2000	$1.2000
Commercial/Industrial	1.2000	1.1958	1.2000	1.1964	1.2000	1.2000	1.2000	1.1900
Tangible/Public Utility Personal	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000
2009 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	$1.9000	$1.8795	$1.9000	$1.8744	$1.9000	$1.8728	$1.9000	$1.9000
Commercial/Industrial	1.9000	1.8934	1.9000	1.8943	1.9000	1.9000	1.9000	1.9000
Tangible/Public Utility Personal	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000
2014 Operating - Continuing								
Effective Millage Rates								
Residential/Agricultural	$0.9000	$0.8903	$0.9000	$0.8879	$0.9000	$0.8871	$0.9000	$0.9000
Commercial/Industrial	0.9000	0.8969	0.9000	0.8973	0.9000	0.9000	0.9000	0.9000
Tangible/Public Utility Personal	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000
2018 Capital Bond Levy								
Effective Millage Rates								
Residential/Agricultural	$0.5000	$0.5000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Commercial/Industrial	0.5000	0.5000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Tangible/Public Utility Personal	0.5000	0.5000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Effective Voted Millage by Type of Property								
Residential/Agricultural	$4.5000	$4.4569	$4.0000	$3.9461	$4.0000	$3.9427	$4.0000	$4.0000
Commercial/Industrial	4.5000	4.4861	4.0000	3.9880	4.0000	4.0000	4.0000	3.9900
Tangible/Public Utility Personal	4.5000	4.5000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Total Weighted Average Tax Rate		$4.4669		$3.9599		$3.9619		$3.9970

Source: Ohio Department of Taxation, Cuyahoga County Fiscal Officer

Note: The rates presented for a particular calendar year are the rates that when applied to the assessed value presented in the Assessed Values tables (S10 & S11), generate the property tax revenue billed in that year.

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

2014		2013		2012		2011		2010		2009	
Gross Rate	Effective Rate [1]	Gross Rate	Effective Rate [1]	Gross Rate	Effective Rate [1]	Gross Rate	Effective Rate [1]	Gross Rate	Effective Rate [1]	Gross Rate	Effective Rate [1]
$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$1.6000	$1.4222	$1.6000	$1.3115
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.6000	1.4651	1.6000	1.4580
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.6000	1.6000	1.6000	1.6000
$1.2000	$1.2000	$1.2000	$1.2000	$1.2000	$1.1765	$1.2000	$1.1765	$1.2000	$1.1751	$1.2000	$1.0836
1.2000	1.1691	1.2000	1.1606	1.2000	1.1158	1.2000	1.1158	1.2000	1.1163	1.2000	1.1109
1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000	1.2000
$1.9000	$1.9000	$1.9000	$1.9000	$1.9000	$1.9000	$1.9000	$1.9000	$0.0000	$0.0000	$0.0000	$0.0000
1.9000	1.9000	1.9000	1.9000	1.9000	1.8993	1.9000	1.8993	0.0000	0.0000	0.0000	0.0000
1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	1.9000	0.0000	0.0000	0.0000	0.0000
$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
$3.1000	$3.1000	$3.1000	$3.1000	$3.1000	$3.0765	$3.1000	$3.0765	$2.8000	$2.5973	$2.8000	$2.3951
3.1000	3.0691	3.1000	3.0606	3.1000	3.0151	3.1000	3.0151	2.8000	2.5814	2.8000	2.5689
3.1000	3.1000	3.1000	3.1000	3.1000	3.1000	3.1000	3.1000	2.8000	2.8000	2.8000	2.8000
	$3.0897		$3.0869		$3.0639		$3.0639		$2.6596		$2.5880

(continued)

Cuyahoga Community College

Property Tax Rates -Direct and Overlapping Governments - continued

(Per $1,000 of Assessed Value) Last Ten Years

	2018		2017		2016		2015	
	Gross Rate	Effective Rate [1]	Gross Rate	Effective Rate [1]	Gross Rate	Effective Rate [1]	Gross Rate	Effective Rate [1]
Overlapping Rates by Taxing District								
Cuyahoga County	$14.0500	$13.9140	$14.0500	$13.8802	$14.0500	$13.8698	$14.0500	$14.0195
Cities								
Bay Village	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000
Beachwood	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Bedford	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000
Bedford Heights	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000
Berea	16.8000	12.7858	16.8000	12.7814	16.8000	12.7856	16.8000	12.7609
Brecksville	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100
Broadview Heights	11.8200	9.2960	11.8200	9.2954	11.8200	9.2958	10.4000	7.9083
Brook Park	4.7500	4.6803	4.7500	4.6833	4.7500	4.6833	4.7500	4.6764
Brooklyn	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000
Cleveland	12.7000	12.7000	10.1500	10.1241	12.7000	12.7000	12.7000	12.7000
Cleveland Heights	12.4200	12.4200	13.9200	13.9200	13.9200	13.9200	13.9200	13.9200
East Cleveland	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
Euclid	13.6000	7.4632	13.6000	7.4435	13.6000	7.4252	13.6000	7.3102
Fairview Park	11.8000	11.5629	11.8000	11.5640	11.8000	11.5636	11.8000	11.6115
Garfield Heights	28.0600	28.0600	25.8100	25.8100	27.2000	27.2000	27.2000	27.2000
Highland Heights	4.0000	4.0000	3.3500	3.3241	4.0000	4.0000	4.0000	4.0000
Independence	2.2000	2.2000	1.8500	1.8241	2.2000	2.2000	2.2000	2.2000
Lakewood	17.4000	17.4000	7.1300	7.1041	17.4000	17.4000	17.4000	17.4000
Lyndhurst	11.5000	11.5000	12.7500	12.7241	11.5000	11.5000	11.5000	11.5000
Maple Heights	20.0000	20.0000	18.0500	18.0241	16.8000	16.8000	15.5000	15.5000
Mayfield Heights	10.0000	10.0000	8.6700	8.6441	10.0000	10.0000	10.0000	10.0000
Middleburg Heights	5.4500	4.7069	6.5000	5.7308	5.4500	4.7066	5.4500	4.7068
North Olmsted	13.3000	13.3000	14.5500	14.5241	13.3000	13.3000	13.3000	13.3000
North Royalton	8.2000	6.8378	8.2500	6.0446	8.2000	6.0196	8.2000	6.0518
Olmsted Falls	12.6500	9.8049	14.0000	11.1257	13.3500	10.5030	13.3500	10.5637
Parma	7.4000	7.4000	6.2500	6.2241	7.5000	7.5000	7.6000	7.5510
Parma Heights	10.0000	10.0000	10.6500	10.6241	10.0000	10.0000	10.0000	10.0000
Pepper Pike	9.5000	9.3237	9.9500	9.7794	9.5000	9.3558	9.5000	9.1995
Richmond Heights	18.3000	15.9788	17.6500	15.2983	18.1000	15.7728	18.1000	15.7457
Rocky River	10.8000	10.8000	9.0200	8.9941	10.9000	10.9000	10.9000	10.9000
Seven Hills	14.3900	14.2100	11.1900	10.9789	11.1000	10.9096	11.2000	11.2000
Shaker Heights	9.9000	9.9000	7.6500	7.6241	9.9000	9.9000	9.9000	9.9000
Solon	3.8000	3.6512	3.4500	3.2746	3.8000	3.6505	3.8000	3.6722
South Euclid	18.8500	18.7744	17.3500	17.2865	16.3500	16.2817	16.3500	16.2605
Strongsville	9.3000	7.1611	10.5500	8.3868	9.3000	7.1672	9.8000	7.7790
University Heights	13.2000	13.2000	12.6000	12.5741	13.2000	13.2000	13.2000	13.2000
Warrensville Heights	9.7000	6.6245	10.5500	7.4467	9.7000	6.6175	9.7000	6.4330
Westlake	9.5200	9.5200	9.5700	9.5441	9.5200	9.5200	9.5200	9.5200
Townships/Villages								
Bentleyville	$8.9000	$7.5305	$8.9000	$7.5156	$8.9000	$7.5117	$8.9000	$7.5206
Bratenahl	15.0000	15.0000	15.0000	14.9046	15.0000	14.9081	16.0000	16.0000
Brooklyn Heights	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
Chagrin Falls Township	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.4000	0.4000
Chagrin Falls Village	8.9000	8.2916	9.3000	8.6901	9.4000	8.7842	9.3000	8.9221
Cuyahoga Heights	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
Gates Mills	14.4000	12.6592	11.2700	9.4637	14.4000	12.6041	14.4000	13.0219
Glenwillow	3.3000	3.3000	1.8000	1.7741	3.3000	3.3000	3.3000	3.3000
Highland Hills	20.7000	12.4100	13.1500	9.3158	20.7000	12.4473	20.7000	11.0053
Hunting Valley	8.1000	8.1000	7.8500	7.8241	5.1000	5.1000	5.1000	5.1000
Linndale	2.8000	2.8000	1.8000	1.7741	2.8000	2.8000	2.8000	2.8000
Mayfield	7.3000	4.2204	8.3500	5.2421	7.3000	4.2176	7.3000	4.2208
Moreland Hills	7.3000	7.3000	11.7000	11.6483	7.3000	7.3000	7.3000	7.3000
Newburgh Heights	31.8000	31.8000	29.1500	28.3233	31.8000	30.9649	31.8000	30.6399
North Randall	4.8000	4.5550	3.3500	3.0792	4.8000	4.5551	4.8000	4.4616
Oakwood	3.8000	3.8000	2.4500	2.4241	3.8000	3.8000	3.8000	3.8000
Olmsted Township	27.5000	17.7494	25.8500	16.0412	27.5000	17.7328	27.5000	18.0081
Orange	7.0000	7.0000	5.5500	5.5241	7.1000	7.1000	7.1000	7.1000
Valley View	6.7000	6.6987	4.1500	4.1204	6.7000	6.7000	6.7000	6.7000
Walton Hills	0.3000	0.3000	1.8000	1.7741	0.3000	0.3000	0.3000	0.3000
Woodmere	4.3000	4.3000	2.8500	2.8241	4.3000	4.3000	4.3000	4.3000

Source: Ohio Department of Taxation, Cuyahoga County Fiscal Officer

Note: The rates presented for a particular calendar year are the rates that when applied to the assessed value presented in the Assessed Values tables (S10 & S11), generate the property tax revenue billed in that year.

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

2014		2013		2012		2011		2010		2009	
Gross Rate	Effective Rate (1)	Gross Rate	Effective Rate (1)	Gross Rate	Effective Rate (1)	Gross Rate	Effective Rate (1)	Gross Rate	Effective Rate (1)	Gross Rate	Effective Rate (1)
$14.0500	$13.9495	$13.2200	$12.9968	$13.2200	$12.7846	$13.3200	$12.8412	$13.3200	$12.8457	$13.3200	$12.6607
$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000	$14.9000
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	12.8000	12.8000
21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	13.0000	13.0000	13.0000	13.0000
16.8000	12.7590	16.8000	12.7570	17.2000	13.1350	17.2000	13.1343	17.2000	13.1337	17.2000	13.0431
8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.5000	8.5000
10.4000	7.3266	10.4000	7.3255	9.4000	6.3164	9.4000	6.3153	9.4000	6.3157	9.4000	6.2737
4.7500	4.6694	4.7500	4.6681	4.7500	4.6466	4.7500	4.6459	4.7500	4.6458	4.7500	4.6775
5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	6.9000	6.9000
12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
12.9000	12.9000	13.0000	13.0000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000
12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
13.6000	7.2808	13.6000	7.2595	13.6000	6.3749	13.6000	6.3560	15.6000	6.8572	15.6000	6.5565
11.8000	11.6106	11.8000	11.6092	11.8000	11.5770	11.8000	11.5750	11.8000	11.5743	11.8000	11.5054
27.0000	27.0000	27.0000	27.0000	24.3000	24.3000	24.7000	24.7000	28.7000	28.7000	23.3000	23.3000
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.6000	2.6000	2.8000	2.8000	2.8000	2.8000
17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000
11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000
15.5000	15.5000	15.5000	15.5000	15.5000	15.5000	15.5000	15.4926	15.5000	15.5000	15.5000	15.5000
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
5.4500	4.7065	5.4500	4.7062	5.4500	4.6881	5.4500	4.6878	5.4500	4.6877	5.4500	4.6686
13.3000	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000	13.2000	13.2000
8.2000	6.0491	8.2000	6.0451	8.2000	5.9175	8.2000	5.9129	8.2000	5.9117	8.2000	5.7698
13.3500	10.3201	14.5000	11.6940	14.4500	11.1585	14.2500	10.9706	15.2000	9.9418	15.7000	10.2462
7.1000	6.7841	7.1000	6.7819	7.1000	6.6287	7.1000	6.6274	7.1000	6.6267	7.1000	6.5166
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.2000	10.2000
9.5000	9.3947	9.5000	9.4655	9.5000	9.4933	9.5000	9.4989	9.5000	9.5000	9.5000	9.0676
18.1000	15.7130	18.1000	15.7356	18.1000	15.5444	18.1000	15.5394	17.0000	14.4382	17.0000	14.3041
10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000
11.2000	11.2000	9.7000	9.6644	9.5000	9.2063	9.2000	8.8225	9.2000	8.8251	9.2000	8.6128
9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000
3.8000	3.6715	3.8000	3.6705	3.8000	3.6580	3.9000	3.7565	3.9000	3.7563	4.1000	3.9417
16.3500	16.1215	13.1000	13.1000	13.1000	13.1000	13.1000	13.1000	14.9000	13.2321	14.9000	13.1066
9.8000	7.7831	9.9000	7.4794	9.9000	7.4089	9.9000	7.3637	9.9000	7.3603	9.9000	7.2089
13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
9.7000	6.4212	9.7000	6.4193	9.7000	6.6205	9.7000	5.5887	9.7000	5.5887	9.7000	5.4808
9.5200	9.5200	9.5200	9.5200	9.6000	9.6000	9.6000	9.6000	9.6000	9.6000	9.6000	9.6000
$8.9000	$7.5028	$8.9000	$7.5004	$8.9000	$6.9159	$8.9000	$7.4721	$8.9000	$7.4705	$8.9000	$7.4564
16.0000	16.0000	16.1000	15.2035	16.0000	15.4864	16.0000	15.9972	15.5000	12.9000	15.5000	14.1134
4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
9.5000	9.1218	9.5000	9.1096	11.2000	11.1847	11.2000	11.1828	11.2000	11.2000	11.2000	8.8401
4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
14.4000	12.9965	14.4000	12.9555	14.4000	12.7636	14.4000	12.7249	14.4000	12.7194	14.4000	12.1300
3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
20.7000	10.9855	20.7000	10.9774	20.7000	11.8205	20.7000	11.4924	20.7000	11.4894	20.7000	12.8525
5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000
2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	0.8000	2.8000
7.3000	4.2193	7.3000	4.2191	7.3000	4.1678	7.3000	4.1656	7.3000	4.1649	7.3000	4.1547
7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000
31.8000	30.5869	23.1000	23.1000	23.1000	22.7248	23.1000	22.6790	19.5000	17.9780	19.5000	16.8366
4.8000	4.4577	4.8000	4.4577	4.8000	4.2230	4.8000	4.2148	4.8000	4.2131	4.8000	4.1723
3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
23.5000	14.0481	23.4000	14.0382	23.5000	13.8235	23.5000	13.8021	21.5000	11.7057	21.5000	11.0654
7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000
6.7000	6.7000	6.7000	6.7000	6.7000	6.7000	6.7000	6.7000	6.7000	6.7000	7.1000	5.3339
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000

(continued)

Cuyahoga Community College

Property Tax Rates -Direct and Overlapping Governments - continued

(Per $1,000 of Assessed Value) Last Ten Years

	2018		2017		2016		2015	
	Gross Rate	Effective Rate [1]	Gross Rate	Effective Rate [1]	Gross Rate	Effective Rate [1]	Gross Rate	Effective Rate [1]
Special Districts								
Chagrin Falls Township Fire District	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000
Cleveland Heights Library	10.0000	8.2615	10.0000	8.2156	10.0000	8.2030	10.0000	8.1722
Cleveland Library	6.8000	6.3485	9.9000	9.4047	6.8000	6.3455	6.8000	6.3380
Cleveland Metro Parks	2.7500	2.7183	2.7500	2.7112	2.7500	2.7119	2.7500	2.7368
Cleveland Cuyahoga Port Authority	0.1300	0.1131	0.1300	0.1127	0.1300	0.1127	0.1300	0.1127
Cuyahoga County Library	2.5000	2.4755	2.5000	2.4707	2.5000	2.4695	2.5000	2.5000
East Cleveland Library	7.0000	7.0000	7.0000	7.0000	7.0000	7.0000	7.0000	6.8799
Euclid Library	5.6000	5.6000	5.6000	5.5731	5.6000	5.6000	5.6000	5.6000
Lakewood Library	3.5000	2.3534	3.1000	3.0582	3.5000	2.3492	3.5000	2.5231
Rocky River Library	12.2000	9.3440	13.9000	11.9097	6.1000	4.6625	6.1000	5.0923
Shaker Heights Library	8.0000	7.6800	3.4500	3.2746	4.0000	3.8073	4.0000	4.0000
Westlake Library	2.8000	2.6620	1.9000	1.8743	2.8000	2.6632	2.8000	2.8000
Joint Vocational Schools								
Cuyahoga Valley JVS	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000
Polaris JVS	3.0900	2.9402	3.0900	2.9588	2.4000	2.2699	2.4000	2.1745
Schools								
Bay Village City	$122.1800	$57.4924	$122.4100	$57.7192	$116.8100	$52.0512	$116.8100	$55.4302
Beachwood City	86.2000	40.3077	86.4000	40.4945	86.4000	40.4524	86.4000	41.8402
Bedford City	75.7200	45.3116	151.4400	90.4089	75.7200	45.1652	75.7200	44.7465
Berea City	82.2000	48.6825	82.2000	48.6417	78.0000	44.4553	78.7000	44.7135
Brecksville-Broadview Heights City	82.8900	44.8383	77.0000	38.9209	77.0000	38.9563	77.0000	39.9725
Brooklyn City	58.6000	48.7920	59.8000	49.5834	59.8000	49.8372	60.2000	51.7532
Chagrin Falls Exempted Village	124.1000	61.5733	115.2000	53.2459	115.3000	53.3127	115.3000	54.2389
Cleveland Heights - University Heights City	156.0900	88.4875	155.5900	87.4551	149.5900	81.3081	149.5900	80.9511
Cleveland Municipal	79.3000	52.6274	79.3000	52.5271	79.3000	52.4795	79.4000	52.1999
Cuyahoga Heights Local	35.7000	30.1360	35.7000	30.1164	35.7000	30.1361	35.7000	29.9292
East Cleveland City	95.1000	57.9180	95.1000	57.7160	95.1000	57.5531	94.1000	49.5689
Euclid City	109.8200	85.4798	110.9200	7.9000	102.0200	77.3439	101.6000	75.9075
Fairview Park City	98.7200	57.0089	98.6200	56.9657	96.1700	54.4972	96.4700	57.0918
Garfield Heights City	86.2600	77.0187	87.7600	78.4876	81.0600	71.6367	81.0600	74.0316
Independence Local	36.7000	34.7439	36.7000	34.7328	36.1000	34.1022	35.8000	34.3753
Lakewood City	122.7300	62.9459	122.7300	62.8527	122.7300	62.8665	123.2300	66.6502
Maple Heights City	91.5000	77.3260	91.5000	76.8867	88.7000	74.0557	88.2000	72.8876
Mayfield City	90.6700	53.9209	90.7200	53.8387	84.1200	47.2295	84.1200	47.5242
North Olmsted City	97.1000	59.9663	96.9000	59.7380	96.9000	59.7329	96.9000	60.7606
North Royalton City	68.5000	44.4431	65.7000	41.6366	65.7000	41.6407	65.7000	41.8761
Olmsted Falls City	100.0000	53.7395	100.4000	54.0416	102.2000	55.8188	102.2000	56.6998
Orange City	91.2000	45.9803	91.2000	45.6792	91.2000	45.6578	91.1000	47.5692
Parma City	75.8600	55.4407	75.8100	55.3674	75.7100	55.2463	75.5100	54.6272
Richmond Heights Local	99.9800	64.6260	87.9000	52.4409	87.9000	52.4040	87.9000	51.7942
Rocky River City	90.4700	47.2882	89.5500	46.3520	89.5500	46.2970	89.5500	49.5457
Shaker Heights City	190.4800	99.0596	186.7300	94.7243	186.7300	94.5621	186.8300	99.0736
Solon City	82.2000	47.3343	82.2000	47.2525	82.2000	47.2543	82.2000	49.6833
South Euclid-Lyndhurst City	107.7000	67.6029	107.7000	66.6670	107.8000	66.9334	107.6000	66.9823
Strongsville City	81.7800	41.0156	81.7800	41.0288	81.7800	41.0607	81.7800	41.9228
Warrensville City	93.2000	68.8734	92.4000	68.0382	91.7000	67.2653	91.8000	64.3691
Westlake City	69.9000	35.8434	70.2000	36.1210	70.1000	36.0546	70.1000	37.3163

Source: Ohio Department of Taxation, Cuyahoga County Fiscal Officer

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

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

2014		2013		2012		2011		2010		2009	
Gross Rate	Effective Rate (1)	Gross Rate	Effective Rate (1)	Gross Rate	Effective Rate (1)	Gross Rate	Effective Rate (1)	Gross Rate	Effective Rate (1)	Gross Rate	Effective Rate (1)
$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000	$0.8000
7.8000	5.9232	7.8000	5.9072	7.8000	5.7108	7.8000	5.6651	7.8000	5.6651	7.8000	5.3894
6.8000	6.3345	6.8000	6.3284	6.8000	6.2210	6.8000	6.2177	6.8000	6.2168	6.8000	6.1703
2.7500	2.7046	1.8500	1.7917	1.8500	1.7354	1.8500	1.8106	1.8500	1.7249	1.8500	1.6698
0.1300	0.1106	0.1300	0.1098	0.1300	0.1033	0.1300	0.1029	0.1300	0.1027	0.1300	0.0947
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
7.0000	6.8699	7.0000	6.8644	7.0000	6.4283	7.0000	6.3968	7.0000	6.3814	7.0000	6.0101
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	3.5000	3.4743	3.5000	3.1234
3.5000	2.5158	3.5000	2.5044	3.5000	2.3751	3.5000	2.3552	3.5000	2.3537	3.5000	2.1997
6.1000	5.0851	6.1000	5.0714	6.1000	5.0526	6.1000	5.0286	6.1000	5.0245	6.1000	4.7476
4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.7737	2.8000	2.8000	2.8000	2.8000
$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000	$2.0000
2.4000	2.3311	2.4000	2.3285	2.4000	2.3285	2.4000	2.1821	2.4000	2.0076	2.4000	2.0000
$116.8100	$55.3710	$116.8100	$55.2862	$116.8100	$55.2862	$114.9500	$52.9108	$108.8500	$46.7716	$108.8500	$45.8465
86.4000	41.7664	86.4000	41.7386	86.4000	41.7386	86.4000	41.0169	83.9000	38.4659	83.9000	36.3519
70.8200	39.7646	71.3000	40.1211	71.3000	40.1211	72.5000	38.6990	72.5000	38.6966	67.6000	30.9966
78.8000	44.7727	78.9000	44.8301	78.9000	44.8301	74.9000	38.5574	75.0000	38.6450	74.9000	35.9563
77.2000	40.1206	77.2000	40.0657	77.2000	40.0657	77.2000	39.1176	77.3000	39.1700	77.1000	37.2338
60.1000	51.5968	48.7000	40.1574	48.7000	40.1574	47.2000	34.2129	47.0000	35.0838	46.4000	32.9276
115.6000	54.4484	115.6000	54.2652	115.6000	54.2652	107.7000	47.3264	108.6000	48.2245	108.6000	47.8160
149.5900	80.3810	143.7000	74.3049	143.7000	74.3049	136.8000	64.3156	136.8000	64.1928	136.7000	60.2978
79.8000	52.4272	79.8000	52.1165	79.8000	52.1165	64.8000	31.5069	64.8000	31.4601	64.8000	29.0766
35.7000	29.9081	35.7000	29.8753	35.7000	29.8753	28.8000	22.4628	29.0000	22.6478	28.9000	22.4516
94.1000	49.1233	94.1000	48.8796	94.1000	48.8796	93.0000	39.9056	92.5000	39.2650	92.1000	35.4764
100.7000	74.7478	98.4000	72.2593	98.4000	72.2593	89.9000	54.4667	89.9000	54.4663	85.2000	46.1446
96.4700	57.0551	97.7000	58.2264	97.7000	58.2264	97.6000	56.7442	97.4000	56.5150	96.1000	51.9219
78.2600	71.0127	74.2600	66.8432	74.2600	66.8432	56.3000	42.1197	56.5000	42.3215	54.6000	40.1189
36.0000	34.5646	35.2000	33.7028	35.2000	33.7028	31.9000	29.8969	32.0000	30.0066	31.4000	29.2735
123.2300	66.5450	115.4000	58.5508	115.4000	58.5508	115.4000	56.4020	107.9000	48.8809	107.2000	45.9650
81.2000	65.6009	78.8000	63.1265	78.8000	63.1265	71.9000	47.4149	71.9000	47.4149	63.4000	37.4302
84.2200	47.5784	84.2200	47.5219	84.2200	47.5219	74.2000	49.7767	78.3200	40.0985	78.3200	38.1502
91.4000	55.2378	91.4000	55.2266	91.4000	52.5975	91.4000	52.5281	83.5000	44.5988	83.5000	41.1735
65.7000	41.8733	65.7000	41.5099	65.7000	41.0277	65.8000	41.0839	65.5000	41.1462	58.8000	33.7000
102.2000	56.7414	102.2000	56.6655	102.2000	56.6655	101.7000	54.1712	93.0000	45.4561	91.9000	41.6942
91.1000	47.2718	91.1000	47.1990	91.1000	47.1990	86.1000	41.8247	86.0000	41.6958	86.0000	40.1499
75.7000	54.7813	74.1000	53.1403	74.1000	53.1403	66.1000	42.4584	66.0000	42.3449	65.1000	38.8681
87.9000	51.6553	87.9000	51.5573	87.9000	51.5573	82.6000	41.3640	82.6000	41.3343	78.6000	33.6185
89.5500	49.5067	89.4500	49.3321	89.4500	49.3321	84.3000	43.9489	82.7000	42.3267	82.7000	40.8212
179.9300	91.7270	180.1300	91.8009	180.1300	91.8009	180.1300	85.7364	170.6000	76.1047	170.6000	71.0032
82.2000	49.6144	82.2000	49.5169	82.2000	49.5169	82.2000	48.1861	75.5000	41.4665	75.3000	39.9335
107.4000	66.5513	107.4000	66.4279	107.4000	66.4279	101.6000	55.3403	101.6000	55.2645	101.5000	50.6368
81.6800	41.8543	81.6800	41.8388	81.6800	41.8388	81.1900	40.2545	81.2000	40.3511	81.2000	38.2267
91.8000	64.1855	89.1000	61.4471	89.1000	61.4471	89.5000	51.1160	90.8000	51.9727	90.1000	49.6729
70.1000	37.3110	70.1000	37.2584	70.1000	37.2584	70.1000	36.6681	66.7000	33.2708	66.5000	31.7454

Cuyahoga Community College

Principal Real Property Taxpayers

2017 and 2008

	2017 Collection Year	
Taxpayer	Real Property Assessed Value	Real Property Assessed Value
Cleveland-Cuyahoga County Port Authority	$133,907,320	0.50 %
127 Public Square Fee Owner, LLC	84,622,410	0.32
City of Cleveland [1]	73,824,600	0.28
Southpark Mall, LLC	72,455,110	0.27
Beachwood Place, LTD	67,284,080	0.25
Progressive Casualty, Inc.	57,835,320	0.22
Optima Properties, LLC	54,326,400	0.21
Eaton Corporation	50,208,980	0.19
CP Commercial Delaware, LLC	48,863,810	0.18
Jack Entertainment LLC	45,641,450	0.17
Totals	$688,969,480	2.59 %
Total Real Property Assessed Valuation	$26,564,734	

	2008 Collection Year[2]	
Taxpayer	Real Property Assessed Value	Real Property Assessed Value
Cleveland Electric Illuminating Company	$457,014,000	1.50 %
Cleveland Clinic Foundation[3]	210,410,000	0.69
City of Cleveland [1]	145,156,000	0.48
Ohio Bell Telephone	81,076,000	0.27
American Transmission	67,193,000	0.22
East Ohio Gas	61,991,000	0.20
WEA Southpark LLSC	61,280,000	0.20
Beachwood Place, LTD	57,858,000	0.19
Progressive Casualty, Inc.	51,775,000	0.17
Cleveland Financial	49,232,000	0.16
Totals	$1,242,985,000	4.08 %
Total Real Property Assessed Valuation	$30,498,390,000	

Source: Cuyahoga County Fiscal Office, Cuyahoga County, Ohio

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

(2) The 2008 taxpayers were selected based solely upon review of the 200 taxpayers or real, personal and public utility property with the highest assessed valuation.

(3) The Cleveland Clinic applied for and was subsequently granted tax exemption status in 2015.

Cuyahoga Community College

Property Tax Levies and Collections [1]
Last Ten Years (Dollars in Thousands)

Collection Year [2]	Total Current Levy [3]	Current Collections	Percentage of Current Tax Collections to Tax Levy	Delinquent Current	Total Tax Collections [4]	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Tax to Total Tax Levy
2017	$109,604	$103,674	94.6 %	$3,634	$107,308	97.9 %	$14,338	13.1 %
2016	108,923	102,715	94.3	3,394	106,109	97.4	15,280	14.0
2015	110,824	101,389	91.5	4,080	105,469	95.2	25,114	22.7
2014	86,010	77,996	90.7	3,471	81,467	94.7	18,335	21.3
2013	85,526	78,531	91.8	3,536	82,067	96.0	17,343	20.3
2012	91,617	82,694	90.3	4,317	87,011	95.0	19,657	21.5
2011	91,396	83,227	91.1	3,571	86,798	95.0	19,617	21.5
2010	77,543	71,149	91.8	5,700	76,849	99.1	15,387	19.8
2009	76,441	70,610	92.4	5,335	75,945	99.4	11,624	15.2
2008	75,957	70,502	92.8	4,718	75,220	99.0	9,780	12.9

Source: College and Cuyahoga County, Ohio financial records.

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

[2] The 2018 information cannot be presented as all collections have not been made by June 30, 2018. The College issued 2018 Series General Obligation Bonds in March 2018 after voter approval in November 2017. Collections and advances on this additional tax began in the second half of fiscal year 2018.

[3] The College's tax levy increased by 0.9 mills in 2015 and 0.3 mills during 2011.

[4] The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified as delinquent. Penalties and interest are applied against the total outstanding delinquent balance.

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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
2018	$104.54	$3,136.20	$0.00	0.00 %
2017	104.54	3,136.20	0.00	0.00
2016	104.54	3,136.20	0.00	0.00
2015	104.54	3,136.20	99.90	3.29
2014	101.21	3,036.30	99.90	3.40
2013	97.88	2,936.40	199.80	7.30
2012	91.22	2,736.60	199.80	7.88
2011	84.56	2,536.80	120.60	4.99
2010	80.54	2,416.20	0.00	0.00
2009	80.54	2,416.20	0.00	0.00

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

	General Bonded Debt			Other General Debt	
Fiscal Year	General Bonded Debt[1]	Ratio of Bonded Debt to Estimated Actual Value[2]	Bonded Debt per Capita [3]	Fixed Rate General Receipts Bonds	Tax Anticipation Notes
2018	$242,869,186	0.313 %	n/a	$107,133,025	$0
2017	0	0	0	114,488,411	0
2016	0	0	0	121,838,797	0
2015	0	0	0	118,128,127	0
2014	0	0	0	123,790,193	0
2013	0	0	0	129,257,260	0
2012	0	0	0	134,534,328	0
2011	0	0	0	139,091,603	0
2010	0	0	0	143,918,977	0
2009	0	0	0	149,561,351	0

Source: College Financial Audit Reports

Note: n/a - Information not available at date of report. Future data will be added as it becomes available.

(1) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. There, these resources are not shown as a deduction from general obligation bonded debt.

(2) The Estimated Actual Value can be found on S10 and S11.

(3) Calculated based on total debt amount divided by population from S28.

(4) Calculated based on total debt amount divided by historical headcount from S32.

Other General Debt (cont.)					
Certificates of Participation	Capital Leases	Total Debt	Debt per Student (4)	Debt per Capita (3)	Debt as a % of Total Estimated Actual Value of Taxable Property
$5,103,000	$15,087,721	$370,192,932	$15,860.88	n/a	0.477 %
5,878,348	17,885,829	138,252,588	5,784.63	$110.73	0.179
6,299,120	22,221,254	150,359,171	6,291.18	120.35	0.195
6,957,745	26,299,706	151,385,578	6,311.15	120.54	0.195
7,596,371	21,361,753	152,748,317	6,002.13	121.25	0.197
8,214,997	19,668,927	157,141,184	5,797.71	124.40	0.202
8,813,622	23,737,849	167,085,799	5,510.38	131.97	0.199
9,392,248	25,024,632	173,508,483	5,515.38	136.59	0.206
9,955,873	25,724,268	179,599,118	5,665.77	140.30	0.215
0	28,557,944	178,119,295	5,958.76	139.62	0.178

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Cuyahoga Community College
General Receipt Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Gross General Receipts [1]	Related Expenses [2]	Net General Receipts	Debt Service Requirements[3] Principal	Interest	Total	Coverage Ratio
2018	63,002,799	11,509,346	$51,493,453	$6,330,000	4,381,331	$10,711,331	4.8
2017	67,825,437	12,416,278	55,409,159	6,325,000	4,382,273	10,707,273	5.2
2016	70,391,597	13,516,908	56,874,689	5,640,000	5,542,725	11,182,725	5.1
2015	73,985,185	14,249,044	59,736,141	5,430,000	5,764,050	11,194,050	5.3
2014	76,182,112	14,488,750	61,693,362	5,235,000	5,951,025	11,186,025	5.5
2013	71,665,948	15,328,360	56,337,588	5,045,000	5,809,141	10,854,141	5.2
2012	65,979,953	15,473,186	50,506,767	6,530,000	6,479,270	13,009,270	3.9
2011	65,576,926	16,143,086	49,433,840	4,700,000	6,654,351	11,354,351	4.4
2010	64,290,150	14,511,574	49,778,576	5,515,000	6,620,046	12,135,046	4.1
2009	58,187,317	12,966,387	45,220,930	620,000	1,250,688	1,870,688	24.2

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

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

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

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

(3) The debt service requirements above include the General Receipts Series A, C, D, and E bonds. Series A bonds were retired in fiscal year 2015.

Cuyahoga Community College

Computation of Legal Debt Margin

Last Ten Fiscal Years (Dollars in Thousands)

	2018[1]	2017	2016	2015
Residential/Agricultural Real Property	$18,843,520	$18,837,519	$18,786,257	$18,473,813
Commercial/Industrial Real Property	7,880,857	7,727,214	7,801,504	8,364,776
Public Utility Tangible	1,153,892	$1,059,011	$938,390	$894,864
Less: Rail Road and Telephone Tangible Property	0	0	0	0
Total Assessed Valuation	$27,878,269	$27,623,744	$27,526,151	$27,733,453
Debt Limit - 9% of Assessed Value [2]	$2,509,044	$2,486,137	$2,477,354	$2,496,011
Amount of Debt Applicable to Debt Limit				
General Receipt Bonds	$107,133	$114,488	$121,839	$118,128
General Obligation Bonds (UTGO)	242,869	0	0	0
Certificates of Participation	5,103	5,878	6,299	6,958
Less Amount Available in Debt Service	0	0	0	0
Total	$355,105	$120,367	$128,138	$125,086
Exemptions:				
General Receipt Bonds	(107,133)	(114,488)	(121,839)	(118,128)
Certificates of Participation	(5,103)	(5,878)	(6,299)	(6,958)
Total Exemptions	($112,236)	($120,367)	($128,138)	($125,086)
Amount of Debt Subject to Limit	242,869	0	0	0
Legal Debt Margin	$2,266,175	$2,486,137	$2,477,354	$2,496,011
Legal Debt Margin as a Percentage of the Debt Limit	90.32%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Assessed Value [2]	$27,878	$27,624	$27,526	$27,733
Amount of Debt Applicable	0	0	0	0
Unvoted Legal Debt Margin	$27,878	$27,624	$27,526	$27,733
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%
Voted Debt not subject to Margin Limits				
General Obligation Bonds (UTGO)	$242,869	$0	$0	$0

Source: Cuyahoga County Fiscal Officer and College Financial Records

(1) HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

(2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

2014	2013	2012	2011	2010	2009
$18,485,315	$18,501,991	$20,303,527	$20,388,242	$20,379,863	$22,070,872
8,368,656	8,392,052	8,795,069	8,764,928	8,559,342	8,427,518
$840,870	$758,430	$698,069	$673,171	$654,490	$615,400
0	0	0	0	0	766,539
$27,694,841	$27,652,473	$29,796,665	$29,826,341	$29,593,695	$31,880,329
$2,492,536	$2,488,723	$2,681,700	$2,684,371	$2,663,433	$2,869,230
$123,790	$129,257	$134,534	$139,092	$143,919	$149,561
0	0	0	0	0	0
7,596	8,215	8,814	9,392	9,956	0
0	0	0	0	0	0
$131,387	$137,472	$143,348	$148,484	$153,875	$149,561
(123,790)	(129,257)	(134,534)	(139,092)	(143,919)	(149,561)
(7,596)	(8,215)	(8,814)	(9,392)	(9,956)	0
($131,387)	($137,472)	($143,348)	($148,484)	($153,875)	($149,561)
0	0	0	0	0	0
$2,492,536	$2,488,723	$2,681,700	$2,684,371	$2,663,433	$2,869,230
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
$27,695	$27,652	$29,797	$29,826	$29,594	$31,880
0	0	0	0	0	0
$27,695	$27,652	$29,797	$29,826	$29,594	$31,880
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
$0	$0	$0	$0	$0	$0

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)
2017	1,248,514	n/a (2)	n/a (2)	6.3 %	$27,878,269
2016	1,249,352	$62,496,228	$50,023	5.9	27,623,744
2015	1,255,921	60,919,487	48,506	5.5	27,526,151
2014	1,259,828	61,128,130	48,521	5.8	27,733,453
2013	1,263,154	59,739,324	47,294	7.5	27,694,841
2012	1,266,049	58,299,020	46,082	7.9	27,652,473
2011	1,270,294	56,004,722	44,088	8.0	29,796,665
2010	1,280,122	55,817,159	43,603	9.0	29,826,341
2009	1,275,709	52,803,092	41,391	9.2	29,593,695
2008	1,282,880	53,946,514	42,051	7.1	31,880,329

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

(1) Based on collection year.

(2) Data for total personal income and personal income per capital not available for years 2017 and 2018

Cuyahoga Community College

Principal Employers

(Ranked by the Number of Full-Time Equivalent Employees)

2017 and Ten Years Ago

	2017 [1]	
Employer [2]	**Employees**	**Percent of Total County Employment**
Cleveland Clinic Health System	32,772	5.6 %
University Hospitals Health System	16,606	2.8
U.S. Office of Personnel Management	12,045	2.1
Progressive Group of Insurance Cos.	9,002	1.5
Cuyahoga County	7,397	1.3
Area Temps [3]	7,000	1.2
City of Cleveland	6,561	1.1
The MetroHealth System	6,469	1.1
Cleveland Metropolitan School District	6,392	1.1
Group Management Services Inc. [3]	5,357	0.9
Totals	109,601	18.7 %
Total Employment within the County	583,700	

	2008	
Employer [2]	**Employees**	**Percent of Total County Employment**
Cleveland Clinic Health System	32,415	5.6 %
U.S. Office of Personnel Management	13,101	2.2
University Hospitals Health System	10,904	1.9
Cuyahoga County	9,566	1.6
Progressive Group of Insurance Cos.	9,057	1.6
Giant Eagle, Inc.	8,880	1.5
Cleveland Metropolitan School District	8,602	1.5
United States Postal Service	8,032	1.4
City of Cleveland	7,950	1.4
State of Ohio	7,783	1.3
Totals	116,290	20.0 %
Total Employment within the County	583,300	

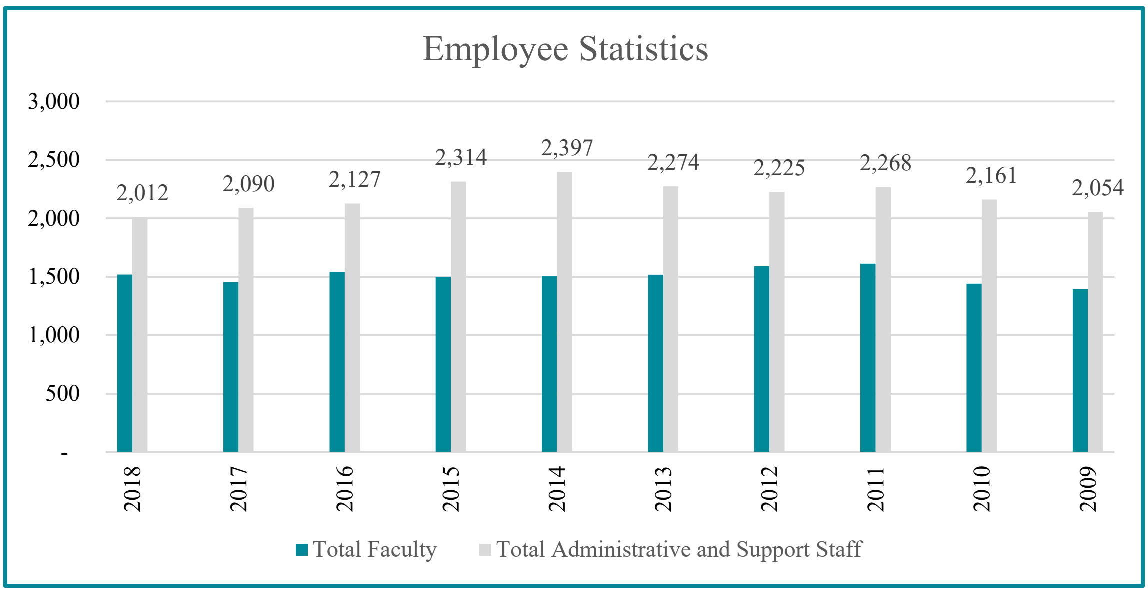
(1) Data is only available through June 30, 2017.

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

(3) The employees of these staffing firms work on behalf of other companies.

Cuyahoga Community College
Employee Statistics
Last Ten Fiscal Years

	2018	2017	2016	2015
Faculty				
Full-time	409	409	409	407
Part-time	1,110	1,045	1,131	1,093
Total Faculty	1,519	1,454	1,540	1,500
Administrative and Support Staff Staff[1]				
Full-time	1,068	1,056	1,007	
Part-time	944	1,034	1,120	
Total Administrative and Support Staff	2,012	2,090	2,127	2,314
Total Employees	3,531	3,544	3,667	3,814
Students Per Faculty Member	15	16	16	17
Students Per Staff Member	12	11	11	11



Source: College Records - Human Resource Department

[1] The College began tracking part time versus full time administrative and support staff in fiscal year 2016. Information regarding split between categories was not available for prior years.

2014	2013	2012	2011	2010	2009
404	401	393	395	379	386
1,100	1,116	1,197	1,217	1,062	1,007
1,504	1,517	1,590	1,612	1,441	1,393
2,397	2,274	2,225	2,268	2,161	2,054
3,901	3,791	3,815	3,880	3,602	3,447
18	20	20	20	21	19
11	13	14	14	14	13

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Cuyahoga Community College

Historical Headcount

Last Ten Fiscal Years

Fiscal Year Fall Semester Headcount (1)

Major/Program	2018	2017	2016	2015	2014
Health Careers	2,761	2,852	2,885	3,294	3,723
Nursing	3,058	2,956	2,979	3,124	3,420
Business	3,171	3,493	3,822	4,178	5,360
Engineering	681	691	777	823	908
Public Service	1,337	1,419	1,571	1,719	1,510
Applied Industrial Technology/ Associate of Technical Study	858	738	411	830	838
Associate of Arts/ Associate of Science	9,098	9,350	9,171	8,998	8,737
Creative Arts (2)	838	761	760	864	999
Certificate Programs	1,096	1,184	1,096	1,073	993
Other	442	456	515	546	616
Total	23,340	23,900	23,987	25,449	27,104

Major/Program	2013	2012	2011	2010	2009
Health Careers	4,209	4,182	4,881	4,381	3,649
Nursing	4,363	4,706	4,708	3,823	3,298
Business	5,425	5,436	5,329	4,586	4,173
Engineering	1,223	1,151	1,303	1,296	1,633
Public Service	2,249	2,308	2,318	2,076	2,023
Applied Industrial Technology/ Associate of Technical Study	525	740	376	812	381
Associate of Arts/ Associate of Science	8,230	7,419	6,858	9,349	8,244
Creative Arts (2)	1,329	1,528	1,679	0	0
Certificate Programs	1,575	1,080	1,194	1,406	1,096
Other	1,194	2,909	3,053	2,163	1,551
Total	30,322	31,459	31,699	29,892	26,048

Source: College Records - Institutional Research

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

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

Cuyahoga Community College
Graduation Statistics
Last Ten Fiscal Years

	2018		2017		2016		2015	
Ethnicity	**Count**	**Percent**	**Count**	**Percent**	**Count**	**Percent**	**Count**	**Percent**
Native American	13	0.29 %	29	0.65 %	27	0.71 %	35	0.94 %
Black	960	21.55	1,023	22.81	979	25.57	912	24.38
Asian	130	2.92	138	3.08	116	3.03	93	2.49
Hispanic	181	4.06	156	3.48	156	4.08	145	3.87
White	2,796	62.76	2,825	63.02	2,313	60.42	2,358	63.01
Other	253	5.68	119	2.65	60	1.57	124	3.31
Unknown	122	2.74	193	4.31	177	4.62	75	2.00
Total	4,455	100.00 %	4,483	100.00 %	3,828	100.00 %	3,742	100.00 %
Age								
<20	236	5.30 %	94	2.10 %	141	3.68 %	40	1.07 %
20-24	1,468	32.95	1,452	32.39	1,206	31.50	976	26.08
25-29	957	21.48	993	22.15	851	22.23	892	23.84
30-34	693	15.56	637	14.21	492	12.85	583	15.58
35-39	372	8.35	443	9.88	372	9.72	372	9.94
40-59	675	15.15	789	17.60	714	18.66	818	21.86
>60	54	1.21	75	1.67	52	1.36	61	1.63
Total	4,455	100.00 %	4,483	100.00 %	3,828	100.00 %	3,742	100.00 %
Average Age	30.0		31.0		31.0		32.4	
Sex								
Female	2,655	59.60 %	2,770	61.79 %	2,245	58.65 %	2,303	61.54 %
Male	1,800	40.40	1,713	38.21	1,583	41.35	1,439	38.46
Total	4,455	100.00 %	4,483	100.00 %	3,828	100.00 %	3,742	100.00 %
Degree Type								
Associate of Arts	1,359	30.50 %	1,638	36.54 %	1,071	27.98 %	1,182	31.59 %
Associate of Applied Business	521	11.69	533	11.89	481	12.56	493	13.17
Associate of Applied Science	873	19.60	866	19.32	873	22.81	886	23.68
Associate of Science	435	9.76	358	7.99	223	5.83	185	4.94
Associate of Technical Science	27	0.61	34	0.76	11	0.29	11	0.29
Certificate	644	14.46	535	11.93	582	15.20	275	7.35
Post-Degree Certificate	102	2.29	88	1.96	66	1.72	65	1.74
Short Term Certificate	494	11.09	431	9.61	521	13.61	645	17.24
Total	4,455	100.00 %	4,483	100.00 %	3,828	100.00 %	3,742	100.00 %

Source: College Records - Institutional Research

2014		2013		2012		2011		2010		2009	
Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
22	0.66 %	15	0.54 %	9	0.36 %	15	0.62 %	8	0.36 %	6	0.33 %
834	25.14	677	24.32	639	25.63	581	23.83	550	25.08	459	25.40
99	2.98	90	3.23	54	2.17	82	3.36	64	2.92	47	2.60
107	3.22	91	3.27	74	2.97	77	3.16	59	2.69	42	2.32
2,088	62.94	1,787	64.19	1,578	63.29	1,572	64.48	1,445	65.89	1,191	65.92
54	1.63	39	1.40	46	1.85	30	1.23	41	1.87	18	1.00
114	3.44	85	3.05	93	3.73	81	3.32	26	1.19	44	2.43
3,318	100.00 %	2,784	100.00 %	2,493	100.00 %	2,438	100.00 %	2,193	100.00 %	1,807	100.00 %
81	2.44 %	58	2.08 %	52	2.09 %	47	1.93 %	31	1.41 %	43	2.38 %
1,024	30.86	783	28.12	689	27.63	735	30.15	603	27.50	496	27.46
684	20.61	584	20.98	516	20.70	494	20.26	491	22.39	398	22.03
425	12.81	403	14.48	375	15.04	338	13.86	320	14.59	263	14.55
343	10.34	284	10.20	249	9.99	261	10.71	225	10.26	203	11.23
723	21.79	645	23.17	592	23.75	543	22.27	504	22.98	392	21.69
38	1.15	27	0.97	20	0.80	20	0.82	19	0.87	12	0.66
3,318	100.00 %	2,784	100.00 %	2,493	100.00 %	2,438	100.00 %	2,193	100.00 %	1,807	100.00 %
31.8		32.2		32.3		31.8		31.9		32.1	
2,217	66.82 %	1,851	66.49 %	1,759	70.56 %	1,758	72.11 %	1,562	71.23 %	1,303	72.11 %
1,101	33.18	933	33.51	734	29.44	680	27.89	631	28.77	504	27.89
3,318	100.00 %	2,784	100.00 %	2,493	100.00 %	2,438	100.00 %	2,193	100.00 %	1,807	100.00 %
1,202	36.23 %	869	31.21 %	658	26.39 %	834	34.21 %	653	29.78 %	534	29.55 %
440	13.26	397	14.26	372	14.92	331	13.58	306	13.95	289	15.99
979	29.51	935	33.58	908	36.43	750	30.75	758	34.56	639	35.37
173	5.21	138	4.96	117	4.69	106	4.35	135	6.16	92	5.09
13	0.39	6	0.22	14	0.56	8	0.33	17	0.78	21	1.16
183	5.52	154	5.53	151	6.06	141	5.78	128	5.84	122	6.75
66	1.99	84	3.02	66	2.65	65	2.67	40	1.82	36	1.99
262	7.90	201	7.22	207	8.30	203	8.33	156	7.11	74	4.10
3,318	100.00 %	2,784	100.00 %	2,493	100.00 %	2,438	100.00 %	2,193	100.00 %	1,807	100.00 %

Cuyahoga Community College
Capital Asset Information
Last Ten Fiscal Years

Location	**2018**	**2017**	**2016**	**2015**
District Administration Building				
Total Square Footage	45,819	45,819	45,819	45,819
Total Acreage	2.3	2.3	2.3	2.3
Eastern Campus				
Total Square Footage	607,067	607,067	607,067	607,067
Total Acreage	202.8	202.8	202.8	202.8
Metropolitan Campus				
Total Square Footage	1,334,314	1,334,314	1,334,314	1,334,314
Total Acreage	51.7	51.7	51.7	51.7
Western Campus				
Total Square Footage	693,280	693,280	693,280	693,280
Total Acreage	205.7	205.7	205.7	205.7
Westshore Campus				
Total Square Footage	77,648	77,648	77,648	77,648
Total Acreage	49.6	49.6	49.6	49.6
Brunswick University Center				
Total Square Footage	31,888	31,888	31,888	31,888
Total Acreage	1.5	1.5	1.5	1.5
Transportation Innovation Center				
Total Square Footage	27,610	0	0	0
Total Acreage	12.8	0.0	0.0	0.0
Jerry Sue Thornton Center				
Total Square Footage	72,350	72,350	72,350	72,350
Total Acreage	3.9	3.9	3.9	3.9
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	3,101,178	3,073,568	3,073,568	3,073,568
Total Acreage	563.3	550.5	550.5	550.5
Dining				
Dining - Seating Capacity	980	980	980	980
Number of Vehicles				
Private Passenger	37	40	44	47
Light Trucks	18	20	22	23
Medium Trucks	26	17	19	20
Heavy Trucks	4	5	5	5
Extra Heavy Trucks	11	7	4	4
Trailers	19	19	14	14
School Buses	1	2	2	2
Fire Trucks	2	2	2	2
Motorcycles	0	0	0	0
Ambulances	0	0	1	1
Total Vehicles	118	112	113	118
Parking Capacity				
Metropolitan Campus	1,864	1,864	1,864	1,864
District Administrative Services	206	206	206	206
Jerry Sue Thornton Center	334	334	334	334
Eastern Campus	1,872	1,872	1,872	1,872
Corporate College East	635	635	635	635
Brunswick University Center	365	365	365	365
Transportation Innovation Center	45	0	0	0
Westshore Campus	466	466	466	466
Corporate College West	777	777	777	777
Western Campus	3,204	3,204	3,204	3,204
Total Parking Capacity	9,768	9,723	9,723	9,723

Source: College Records

2014	2013	2012	2011	2010	2009
45,819	45,819	45,819	45,819	45,819	45,819
2.3	2.3	2.3	2.5	2.5	2.5
607,067	607,067	607,067	574,447	512,796	512,796
202.8	202.8	202.8	202.8	202.8	202.8
1,334,314	1,334,314	1,309,902	1,284,748	1,276,958	1,276,958
51.7	51.7	51.7	51.7	51.7	51.7
685,597	685,597	685,597	685,597	685,597	685,597
193.3	193.3	194.3	194.3	227.3	227.3
77,648	77,648	77,648	77,648	0	0
49.6	49.6	43.8	33.0	0.0	0.0
31,888	31,888	31,888	31,888	0	0
1.5	1.5	1.5	1.5	0.0	0.0
0	0	0	0	0	0
0.0	0.0	0.0	0.0	0.0	0.0
72,350	72,350	72,350	0	0	0
3.9	3.9	3.9	0.0	0.0	0.0
104,202	104,202	104,202	104,202	104,202	104,202
14.3	14.3	14.3	14.3	14.3	14.3
107,000	107,000	107,000	107,000	107,000	107,000
18.7	18.7	18.7	18.7	18.7	18.7
3,065,885	3,065,885	3,041,473	2,911,349	2,732,372	2,732,372
538.1	538.1	533.3	518.8	517.3	517.3
980	980	980	952	952	952
39	39	42	40	39	35
23	23	18	20	19	18
21	21	20	21	18	16
3	3	3	3	2	4
4	4	4	4	4	4
10	10	10	9	9	8
2	2	2	1	0	0
2	2	2	2	2	2
0	0	2	2	2	2
0	0	0	0	0	0
104	104	103	102	95	89
1,864	1,864	1,864	1,864	1,660	1,595
206	206	0	105	105	106
334	334	334	0	0	0
1,872	1,872	1,872	1,615	1,615	1,615
635	635	635	635	635	635
365	365	365	87	0	0
0	0	0	0	0	0
466	466	466	466	0	0
777	777	777	777	777	777
3,204	3,204	3,204	3,262	3,262	3,262
9,723	9,723	9,517	8,811	8,054	7,990

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Cuyahoga Community College

Cuyahoga Community College
District Administrative Services
700 Carnegie Ave. | Cleveland, OH 44115
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tri-c.edu

18-0937

Cuyahoga Community College

Single Audit Reports
For the Fiscal Year Ended June 30, 2018

Cuyahoga Community College
Cuyahoga County, Ohio
For the Fiscal Year Ended June 30, 2018
Table of Contents

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Cuyahoga Community College
Cleveland, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Cuyahoga Community College (the "College"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 29, 2018, wherein we noted that the College implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postretirement Benefits Other Than Pensions,* and as a result restated their June 30, 2017 net position of the business-type activities, as disclosed in Note 2.

Internal Control over Financial Reporting

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

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

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

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Independent Member of
Geneva Group International

Board of Trustees
Cuyahoga Community College

Compliance and Other Matters

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

Purpose of this Report

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

Ciuni + Panichi, Inc.

Cleveland, Ohio
November 29, 2018

Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Trustees
Cuyahoga Community College
Cleveland, Ohio

Report on Compliance for Each Major Federal Program

We have audited Cuyahoga Community College's (the "College") compliance with the types of compliance requirements described in the in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2018. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

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

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

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

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

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

We have audited the financial statements of the business-type activities and the aggregate discretely presented component unit of the College as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated November 29, 2018, which contained unmodified opinions on those financial statements, wherein we noted that the College implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postretirement Benefits Other Than Pensions*, and as a result restated their June 30, 2017 net position of the business-type activities, as disclosed in Note 2. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Ciuni + Panichi, Inc.

Cleveland, Ohio
November 29, 2018

Cuyahoga Community College
Cuyahoga County, Ohio
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2018

Federal Agency/Pass Through Agency/Program Title	Pass-Through Number	Federal CFDA Number	Passed Through to Sub-recipients	Expenditures
U.S. Department of Education:				
Direct Recipient:				
Student Financial Aid Cluster				
Federal Pell Grant Program		84.063	$ -	$ 31,891,047
Federal Supplemental Education Opportunity Grant		84.007	-	648,628
Federal Direct Student Loans		84.268	-	15,488,985
Federal Work-Study Program		84.033	-	468,440
Total Student Financial Aid Cluster			-	48,497,100
Trio Cluster:				
Trio - Student Support Services		84.042	-	742,995
Trio - Talent Search		84.044	-	619,889
Trio - Upward Bound		84.047	-	583,449
Trio - Educational Opportunity Centers		84.066	-	408,102
Total Trio Cluster			-	2,354,435
Trio Staff Training Program		84.103	-	97,600
Fund for the Improvement of Postsecondary Education		84.116	-	59,305
Passed through University of Rochester:				
Education Research, Development and Dissemination	416659-G	84.305	-	125,318
Passed through the Ohio Department of Higher Education:				
Adult Education - Basic Grants to States		84.002	-	1,957,909
Passed through the Ohio Department of Education:				
Career and Technical Education - Basic Grants to States		84.048	-	831,619
Total U.S. Department of Education			-	53,923,286
U.S. Department of Health and Human Services:				
Direct Recipient:				
Biomedical Research and Research Training	2 R25 GM49010	93.859	21,650	259,062
Nursing Workforce Diversity	D19HP29809	93.178	-	43,065
Passed through Catholic Charities				
Refugee and Entrant Assistance State Administered Programs	G-1819-17-1149	93.566	-	40,000
Passed through Youth Opportunities Unlimited:				
TANF Cluster:				
Temporary Assistance for Needy Families		93.558	-	330,684
Total TANF Cluster			-	330,684
Total U.S. Department of Health and Human Services			21,650	672,811
U.S. Department of Labor:				
Passed through Cuyahoga County, Ohio and City of Cleveland, Ohio:				
WIA Cluster:				
WIA Youth Activities		17.259	-	579,870
Total WIA Cluster			-	579,870
Passed through Lorain County Community College:				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	TC-26435-14-60-A-39	17.282	-	432,378
Passed through Ohio Department of Jobs and Family Services:				
Apprenticeship USA Grants	G-1819-15-0344	17.285	-	48,365
Passed through Ohio Department of Transportation				
Apprenticeship USA Grants		17.285	-	118,055
Total Apprenticeship USA Grants			-	166,420
Total U.S. Department of Labor			-	1,178,668

(Continued)

Federal Agency/Pass Through Agency/Program Title	Pass-Through Number	Federal CFDA Number	Passed Through to Sub-recipients	Expenditures
U.S. Department of Agriculture:				
Passed through Ohio Department of Education:				
Child Nutrition Cluster:				
Summer Food Service Program for Children		10.559	-	6,952
Total Child Nutrition Cluster			-	6,952
U.S. Department of Transportation:				
Direct Recipient:				
Commercial Motor Vehicle Operator Training Grants		20.235	-	78,361
National Aeronautics and Space Administration:				
Direct Recipient:				
Education		43.008	-	104,825
National Endowment for the Arts:				
Direct Recipient:				
Promotion of the Arts - Grants to Organizations and Individuals		45.024	-	20,000
Passed through Arts Midwest:				
Promotion of the Arts - Partnership Agreements	00020469	45.025	-	4,000
Total National Endowment for the Arts			-	24,000
National Science Foundation:				
Direct Recipient:				
Education and Human Resources		47.076	-	42,006
Passed through Ohio State University:				
Education and Human Resources	60042097-TRIC	47.076	-	66,924
Total Education and Human Resources			-	108,930
Total National Science Foundation			-	108,930
U.S. Justice Department				
Direct Recipient:				
Bulletproof Vest Partnership Program		16.607	-	3,588
Total Expenditures of Federal Awards			$ 21,650	$ 56,101,421

See Notes to the Schedule of Expenditures of Federal Awards

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") reflects the expenditures of Cuyahoga Community College (the "College") under programs financed by U.S. Government for the year ended June 30, 2018. The Schedule has been prepared using the accrual basis of accounting.

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

- Direct federal awards

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

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

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

1. Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR section 200.516(a)?	No
(d)(1)(vii)	Major Programs	Student Financial Aid Cluster: CFDA # 84.063, 84.007, 84.268, 84.033 Trio Cluster: CFDA# 84.042, 84.044, 84.047, 84.066
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >$1,683,043 Type B: All Others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None noted.

3. Findings for Federal Awards

None noted.

Cuyahoga Community College
Cuyahoga County, Ohio
Schedule of Prior Audit Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

No prior year findings or questioned costs.

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CUYAHOGA COMMUNITY COLLEGE

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 20, 2018