

CSCU

**Connecticut Community Colleges**

# **FINANCIAL STATEMENTS**

June 30, 2017 and 2016

including

Required Supplementary Information &  
Additional Supplemental Information

## Connecticut Community Colleges Mission Statement

As part of the Connecticut State Colleges & Universities (“CSCU”) system, the twelve Connecticut Community Colleges share a mission to make excellent higher education and lifelong learning affordable and accessible. Through unique and comprehensive degree and certificate programs, non-credit life-long learning opportunities and job skills training programs, they advance student aspirations to earn career-oriented degrees and certificates and to pursue their further education. The Colleges nurture student learning and success to transform students and equip them to contribute to the economic, intellectual, civic, cultural and social well-being of their communities. In doing so, the Colleges support the state, its businesses and other enterprises and its citizens with a skilled, well-trained and educated workforce.





**Members of the Board of Regents for Higher Education  
(Between 7/1/15 - 6/30/17)**

- Thirteen members: nine appointed by the Governor; four appointed by legislative leaders
- Two students chosen by their peers (Chair and Vice Chair of Student Advisory Committee)
- Six non-voting, ex-officio members:
  - Four CT commissioners appointed by the Governor from the Departments of Public Health, Education, Economic and Community Development, and Labor
  - Chair and Vice Chair of the Faculty Advisory Committee

**Regents as of 6/30/17 (1 vacancy)**

Matt Fleury, Chairman (appt to Chair 7/1/17)

Yvette Meléndez, Vice Chair

Richard J. Balducci

Aviva D. Budd (appointed 1/25/17)

Naomi K. Cohen

Lawrence J. DeNardis

Merle W. Harris

David R. Jimenez

William J. McGurk

JoAnn H. Price

Elease E. Wright

Holly Palmer (COSC Student; elected April 2016)

Joseph Young (CCC student; elected September 2016)

**Ex-Officio, Non-voting members**

Barbara E. Richards - Chair of the Faculty Advisory Committee (term began January 2016)

Stephen Adair - Vice Chair of the Faculty Advisory Committee

Raul Pino - Commissioner of the CT Department of Public Health (appointed December 2015)

Dianna R. Wentzell - Commissioner of the State Board of Education

Scott Jackson - Commissioner of the CT Department of Labor (appointed January 2016)

Catherine Smith - Commissioner of the CT Department of Economic and Community Development

**Former Board members (who served between 7/1/15 - 6/30/17)**

Nicholas M. Donofrio (term ended June 30, 2016)

Jewel Mullen - Commissioner, CT Department of Public Health (resigned November, 2015)

Sharon Palmer - Commissioner, CT Department of Labor (resigned December, 2015)

Sarah E. Greco, CSU Student (resigned March 2016)

Gordon Plouffe (CCC student; term ended September 2016)

Robert E. Brown - VC of FAC (term ended December 2015)

## Connecticut Community College Presidents 7/1/2015 through 6/30/2017<sup>1</sup>

Asnuntuck Community College  
170 Elm Street  
Enfield, CT 06082  
Dr. James Lombella, President

Naugatuck Valley Community College  
750 Chase Parkway  
Waterbury, CT 06708  
Dr. Daisy Cocco DeFilippis, President

Capital Community College  
950 Main Street  
Hartford, CT 06103  
Dr. Wilfredo Nieves, President

Northwestern Connecticut  
Community College  
Park Place East, Winsted, CT 06098  
Dr. Michael Rooke, President *eff 11/27/2015*  
Dr. Steven Frazier, Interim Pres., *10/1/15-11/26/15*  
Dr. Barbara Douglass, President *retired 10/1/15*

Gateway Community College  
20 Church Street  
New Haven, CT 06510  
Dr. Paul Broadie II, Interim President *eff 7/1/17*  
Dr. Dorsey L. Kendrick, President *retired 6/30/17*

Norwalk Community College  
188 Richards Avenue  
Norwalk, CT 06854  
Dr. David L. Levinson, President

Housatonic Community College  
900 Lafayette Boulevard  
Bridgeport, CT 06604  
Dr. Paul Broadie II, President

Quinebaug Valley Community College  
742 Upper Maple Street  
Danielson, CT 06239  
Dr. Carlee Drummer, President

Manchester Community College  
Great Path  
Manchester, CT 06045-1046  
Dr. Gena Glickman, President

Three Rivers Community College  
574 New London Turnpike  
Norwich, CT 06360  
Dr. Mary Ellen Jukoski, Interim President

Middlesex Community College  
100 Training Hill Road  
Middletown, CT 06457  
Dr. Steven Minkler, Lead Campus  
Administrator *eff 5/24/17*  
Dr. Anna Wasescha, President *left May 23, 2017*

Tunxis Community College  
271 Scott Swamp Road  
Farmington, CT 06032  
Dr. James Lombella, Interim President *eff 7/1/17*  
Dr. Cathryn L. Addy, President *retired 6/30/17*

System Office, Connecticut State Colleges & Universities (CSCU)  
61 Woodland Street, Hartford, CT 06105

Mark E. Ojakian, CSCU President *effective 9/28/2015*  
Dr. Gregory W. Gray, System President *7/1/2013 - 9/27/2015*  
Dr. Gregory W. Gray, *Special Adviser to the President 9/28/2015 - 12/31/2015*

---

<sup>1</sup> Where 6/30/2017 is last date, successor effective 7/1/2017 is also included.

<b>Management’s Discussion and Analysis (Unaudited)</b>	<b>Page</b>
Introduction	1
Using the Financial Statements	1
Financial Highlights	2
Condensed Statements of Net Position	3
Condensed Statements of Revenues, Expenses and Changes in Net Position	7
Condensed Statements of Cash Flows	10
Economic Outlook	11
<b>Report of Independent Certified Public Accountants</b>	<b>13</b>
<b>Financial Statements</b>	
Statements of Net Position	16
Statements of Financial Position - Component Unit	17
Statements of Revenues, Expenses and Changes in Net Position	18
Statements of Activities - Component Unit	19
Statements of Cash Flows	20
Notes to Financial Statements	21
<b>Required Supplementary Information (Unaudited)</b>	
Schedule of Net Pension Liability and Related Ratios	43
Schedule of Contributions	44
Notes to Required Supplementary Information	45
<b>Supplementary Schedules</b>	
Combining Statement of Net Position	47
Combining Statement of Revenues, Expenses and Changes in Net Position	49
Combining Statement of Cash Flows	51
Combining Statement of Net Position by Fund Group	53
Combining Statement of Revenues, Expenses and Changes in Net Position by Fund Group	55
Notes to Supplementary Schedules	57

### **Introduction**

The Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of the Connecticut Community Colleges ("CCC" or "System") and its component units for the fiscal year ended June 30, 2017, along with comparative information for the fiscal years ended June 30, 2016. This discussion has been prepared by and is the responsibility of management, and should be read in conjunction with the financial statements and footnote disclosures which follow this section. The discussion immediately following reflects the System as it existed during fiscal year 2017.

The Board of Regents for Higher Education was established by the Connecticut General Assembly in 2011 (via Public Act 11-48 as amended by Public Act 11-61) bringing together the governance structure for the four Connecticut State Universities, twelve Connecticut Community Colleges and Charter Oak State College, effective July 1, 2011. The new Board of Regents for Higher Education is authorized under the provisions of this public act to "serve as the Board of Trustees for Community-Technical Colleges".

The Connecticut Community Colleges is a state-wide system of twelve regional community colleges. During the fall 2016 semester, 50,548 students enrolled in credit courses and Full-Time Equivalent ("FTE") enrollment was 29,019. During calendar year 2017, 29,468 students also took a variety of non-credit skill-building programs. The CCC's offer two-year associate degrees and transfer programs, short-term certificates, and individual coursework in both credit and non-credit programs, often through partnerships with business and industry. In total, CCC employed approximately 2,040 full time employees at June 30, 2017.

The CCC system is composed of twelve primary institutions that make up the primary reporting entity. The primary reporting entity is financially accountable for the organizations that make up its legal entity. The System's twelve primary institutions include the following community colleges:

- Asnuntuck Community College ("Asnuntuck") in Enfield
- Capital Community College ("Capital") in Hartford
- Gateway Community College ("Gateway") in New Haven and North Haven
- Housatonic Community College ("Housatonic") in Bridgeport
- Manchester Community College ("Manchester") in Manchester
- Middlesex Community College ("Middlesex") in Middletown and Meriden
- Naugatuck Valley Community College ("Naugatuck Valley") in Waterbury and Danbury
- Northwestern Connecticut Community College ("Northwestern") in Winsted
- Norwalk Community College ("Norwalk") in Norwalk
- Quinebaug Valley Community College ("Quinebaug") in Danielson and Willimantic
- Three Rivers Community College ("Three Rivers") in Norwich
- Tunxis Community College ("Tunxis") in Farmington and Bristol

The CCCs serve an important role in the State's economy, providing convenient, accessible and flexible access to higher education for many of the State's residents, including "non-traditional" students age 22 or older. Open admission to all individuals who have a high school degree or equivalency, an emphasis on low student tuition and fees, and a policy goal of making financial aid available to meet the direct costs of attendance for students who demonstrate financial need, help to ensure access to all students regardless of income. In addition to the twelve primary locations, several CCCs have satellite locations in city centers affording even easier access to students who may not have transportation to attend the main campus. Satellite locations include downtown Danbury, Meriden, and Willimantic. The financial results of these satellite locations are included in the reports of the main campus, or Naugatuck Valley, Middlesex, and Quinebaug Valley Community College, respectively.

### **Using the Financial Statements**

CCC's financial report includes the following financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as defined by the Governmental Accounting Standards Board ("GASB"). GASB Statement No. 35 established standards for external financial reporting for

public colleges and universities, and requires that financial statements be presented on a basis to focus on the financial condition, results of operations, and cash flows of the System as a whole. As required by GASB Statements No. 34 and 35 fiscal year 2017 financial statements and footnotes are presented, for the CCC *primary institution*, as well as for certain other organizations that have a significant related party relationship with CCC (the “component units”).

The component units are the twelve college foundations (the “Foundations”) and the Great Path Academy (“GPA”), a magnet high school at Manchester Community College (“MCC”). Magnet high schools which are operating on CCC campuses are legally separate, tax-exempt non-profit organizations. Each magnet school established is evaluated for inclusion within the System financial statements as a component unit. The Great Path Academy (GPA) at MCC meets the criteria for inclusion as a component unit in the financial statements of CCC and is discretely presented and identified in a single column on the face of the CCC financial statements. The Foundations are legally independent, tax-exempt non-profit organizations separate from College control, founded to foster and promote the growth, progress and general welfare of the Colleges and to solicit, receive and administer donations for such purposes. The Foundations manage the majority of the Colleges’ endowments. However, the assets of these component units are not available to CCC for use at its discretion. The MD&A discusses CCC’s financial statements only and not those of its component units.

During fiscal year 2016, management identified certain errors in the fiscal year 2015 financial statements related to accounting and reporting for pensions and reporting Pell revenues. Refer to footnote 1 of the financial statements for further details related to amounts adjusted in connection with the pension accounting. With respect to changes in reporting of Pell revenues, prior to fiscal year 2016, Pell revenues had been incorrectly reported as operating revenues rather than non-operating revenues. This change impacted operating results (vs. non-operating results), but had no impact on change in net position. All amounts presented in the following MD&A have been restated to reflect the corrected amounts for fiscal year 2015.

### **Financial Highlights**

The Connecticut Community Colleges had total assets of \$955.9 million, liabilities of \$951.5 million, and a total net position balance of \$295.2 million at June 30, 2017. Of this amount (\$505.5) million is classified as unrestricted net position, a \$39.5 million decrease from 2016. The large negative balance in unrestricted net position was a result of the adoption of GASB 68 in fiscal year 2015. Adoption of GASB 68 required the System to recognize a liability for pension plans, which was previously disclosed only at the State level. The offset to the pension liability was a reduction in unrestricted net position as further discussed below.

Total operating revenues from student tuition and fees, grants and contracts, and other college activities (net of scholarship allowances) were \$139.8 million, a 2.8% increase over the previous year. Operating expenses were \$594.0 million, an increase of 8.3% from the previous year, resulting in an operating loss of \$454.3 million during the year ended June 30, 2017. Net non-operating revenues and other changes were \$393.0 million, down 19.7% from the previous year, which was primarily the result of a \$79.5 million decrease in bond appropriations and a \$16.7 million decrease in general fund appropriations. Overall the CCC’s experienced a decrease in net position of \$61.3 million during fiscal year 2017.

Cash and cash equivalents were \$173.1 million at June 30, 2017, including \$25.9 million of cash equivalents in the form of State bond appropriations administered by the CCC’s, and \$42.1 million of State bond appropriations administered by the Department of Administration Services (“DAS”) on behalf of the System. DAS-administered cash equivalents (bond appropriations) decreased from \$113.4 million at June 30, 2016 to \$42.1 million at June 30, 2017. Total current assets were \$222.0 million at June 30, 2017. The ratio of unrestricted current assets of \$138.0 million to unrestricted current liabilities of \$55.6 million is 2.5:1 in 2017, and was 2.4:1 in 2016. The current ratio reflects a financial position sufficient to provide short-term liquidity. However, as the State continues to address budget shortfalls over the next few years, management will continue to carefully monitor liquidity metrics. Non-current liabilities increased 36.8% from \$642.4 million at June 30, 2016 to \$879.0 million at June 30, 2017. This significant liability includes \$842.1 million for the CCC allocation of the state pension plan obligation and \$36.7 million for the long-term portion of the accrued value of benefits earned by employees which must be paid out when they retire or otherwise terminate service in the future (net of the estimated amounts to be paid out in the upcoming year). These large and essentially unfunded liabilities continue to represent a long-term obligation impacting the System’s financial flexibility.



**Statement of Net Position**

The Statement of Net Position presents the overall financial position of the System at the end of the fiscal year, and includes all assets and liabilities of the Connecticut Community Colleges, including capital assets net of depreciation. The change in Net Position is one indicator of whether the overall financial condition of CCC has improved or worsened during the year.

**Condensed Statements of Net Position**

**June 30, 2017, 2016 and 2015**

(in thousands)

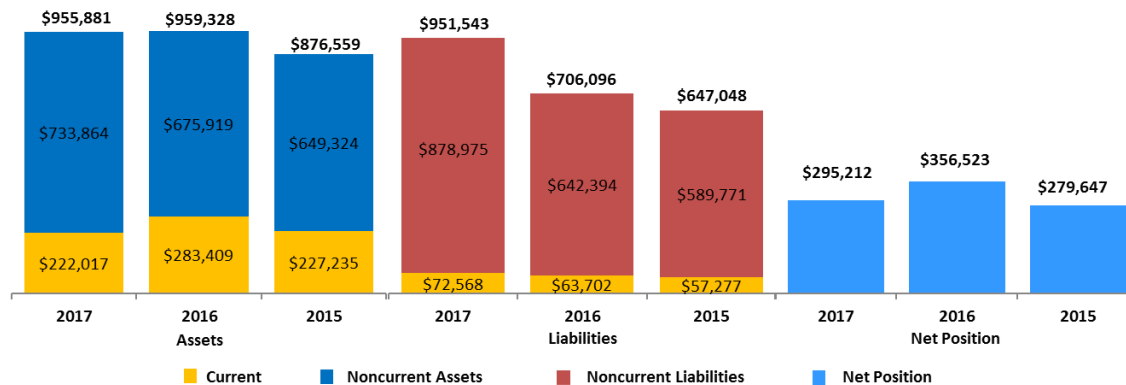
	2017	2016	2015 (Restated*)	% Change	
				current yr	prior yr
<b>ASSETS</b>					
Current assets	\$ 222,017	\$ 283,409	\$ 227,235	-22%	25%
Non-current assets	733,864	675,919	649,324	9%	4%
Total assets	<u>955,881</u>	<u>959,328</u>	<u>876,559</u>	<u>0%</u>	<u>9%</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	303,265	105,988	71,584	186%	48%
<b>LIABILITIES</b>					
Current liabilities	72,568	63,702	57,277	14%	11%
Non-current liabilities	878,975	642,394	589,771	37%	9%
Total liabilities	<u>951,543</u>	<u>706,096</u>	<u>647,048</u>	<u>35%</u>	<u>9%</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	12,391	2,697	21,448	359%	-87%
<b>NET POSITION</b>					
Invested in capital assets	733,589	675,766	649,126	9%	4%
Restricted-nonexpendable	20	20	20		
Restricted-expendable	67,125	146,783	106,380	-54%	38%
Unrestricted	(505,522)	(466,046)	(475,879)	-8%	2%
Total net position	<u>\$ 295,212</u>	<u>\$ 356,523</u>	<u>\$ 279,647</u>	<u>-17%</u>	<u>27%</u>

\*FY 15 is restated for certain amounts previously reported for the adoption of GASB 68 in fiscal year 2015 which were incorrect. As a result, the net position and deferred outflows of fiscal year 2015 have been restated.

Current assets consist of cash and cash equivalents and accounts receivable. The \$61.4 million decrease in current assets from the previous year is largely attributable to a \$76.7 million decrease in the cash equivalents and a \$11.9 million increase in cash. Cash equivalents fluctuate as sizeable building projects are funded and then expended over a period of often two to three years. Investment of cash is handled by the State of Connecticut Treasurer’s Office, which invests cash balances in a Short-Term Investment Fund (“STIF”) on behalf of State agencies. The CCC’s do not carry any other separate investments.



THE CCC's FINANCIAL POSITION (in thousands of dollars)



*Non-current assets* increased 9.0% from \$675.9 million at June 30, 2016, to \$733.9 million at June 30, 2017. Net capital assets account for all but \$275 thousand of non-current assets. The \$275 thousand represents student loan receivables. At June 30, 2017, capital assets in service totaled \$1.0 billion, offset by \$342.3 million in accumulated depreciation; this compared with \$927.9 million and \$317.6 million, respectively, at the end of fiscal year 2016. The \$78.5 million increase in capital assets included \$73.8 million in buildings and building improvements. Completed projects included \$40.6 million in renovations of Founders Hall at Naugatuck Valley, \$12.9 million for the new technology center at Asnuntuck, \$8.7 million in manufacturing program expansion upgrades, also at Asnuntuck, and \$6.2 million for the manufacturing center's addition at Quinebaug Valley.

Construction-In-Progress increased \$4.0 million from \$65.5 million to \$69.5 million. The increase included \$81.7 million in additions less \$76.5 million in transfers of completed projects. The largest of the increases to in-process projects were \$22.0 million in renovations to Housatonic's Lafayette Hall and \$14.6 million for Northwestern's replacement of their Joyner Building.

Total liabilities were \$951.5 million at the end of fiscal year 2017, an increase from \$706.1 million at the end of fiscal year 2016. *Current liabilities* consist primarily of accrued payroll and related benefits of \$38.6 million and unearned tuition, fees and grant revenue of \$16.6 million, primarily collected in advance for late-summer and fall 2017 academic terms. Additional current liabilities include vendor accounts payable of \$6.5 million, \$3.5 million for the estimated value of accrued compensated absences (sick and vacation time benefits) that will be paid within the coming year to employees who terminate or retire and \$4.9 million of retainage on facility projects.

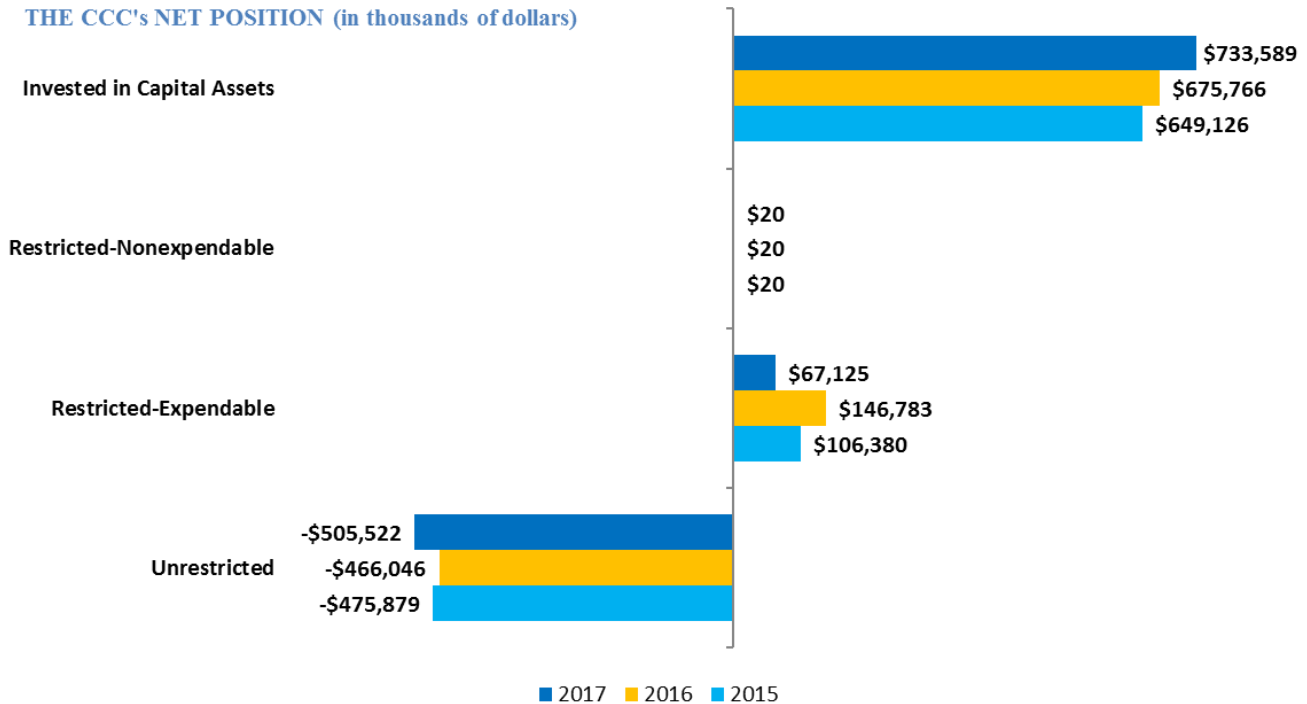
*Non-current liabilities* consist almost exclusively of \$842.1 million in pension liability and \$36.7 million of long-term accrued compensated absences ("ACA") to be paid out to terminating employees over time in the future beyond one year. The total ACA liability of \$40.2 million (long-term and current) and pension liability of \$842.1 million represents approximately six times the existing unrestricted current assets that are available to pay for these previously earned employee benefits, and causes the reported unrestricted net position balance to be significantly reduced. In practice, however, much of these payouts are funded through current-year revenues rather than through existing net position.

*Pension liability* is the CCC's proportionate share of the State Employee Retirement System's ("SERS") and the Teachers Retirement System's ("TRS") net pension liability. As defined in this Statement, SERS is considered a single employer plan and the CCC System is considered a cost-sharing employer of TRS. The CCC system pays the State for a portion of fringe costs based on a fringe rate but ultimately the State pays the pension systems on behalf of employees. These accounting requirements do not impact the System's funding requirements for the pension plans.

The total *net position* balance includes \$733.6 million *invested in capital assets* net of related debt and depreciation. The Connecticut Community Colleges do not carry any capital debt, as property acquisitions, facility construction and major renovations are financed by capital appropriations made to one or more of the CCC's. Bonding and debt repayment are the responsibility of the State of Connecticut and are not reflected in the CCC financial statements. The Connecticut Community

Colleges continue to implement a long-range capital plan to provide for new and renovated campus facilities necessary to meet academic program needs.

**THE CCC's NET POSITION (in thousands of dollars)**



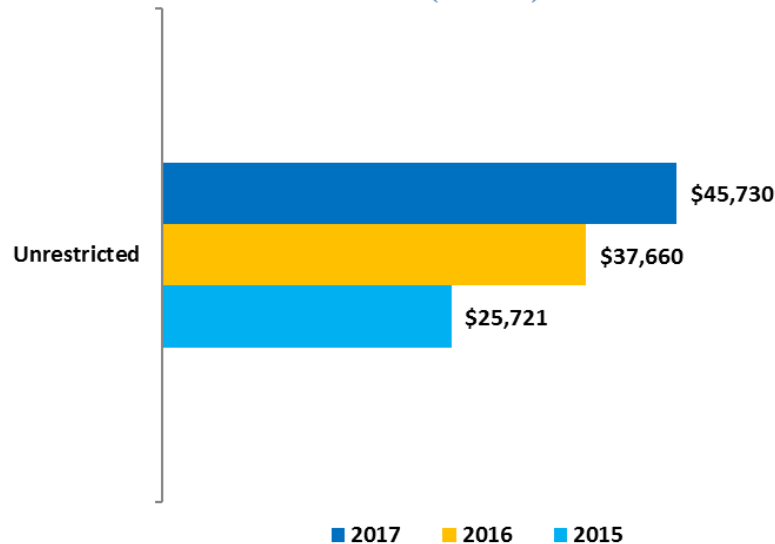
The \$34.9 million in new bond fund appropriations in fiscal year 2017 included \$30.8 million for System administered projects, repairs, and equipment, and \$4.1 million for DAS-administered projects. The System-administered dollars funded a variety of small projects and IT initiatives. The \$4.1 million included \$3.2 million for repairs to Housatonic’s parking garage.

The CCC’s have a minimal level of *Restricted-Nonexpendable* net position as the colleges do not generally carry any permanent endowment as a direct activity. *Restricted-Expendable* net position represents primarily bond fund appropriation balances at June 30, 2017 (\$24.3 million in funds managed by the CCC’s and \$37.2 million for projects managed by DAS), funds held in restricted accounts pending distribution under the terms of the Board’s collective bargaining agreement with its professional unions (\$4.7 million), as well as private gifts and donations, mostly for scholarships, whose revenues have been recognized but not yet expended. Changes in restricted-expendable net position are related primarily to the change in bond fund appropriation revenues and expenses in connection with various facility projects.

*Unrestricted net position* (“UNP”) has shifted to a negative balance with the recognition of the pension liability. This negative balance increased by \$39.5 million during fiscal year 2017. Excluding the activity related to the actuarially determined unfunded pension liability, UNP improved by \$8.1 million to \$45.7 million during fiscal year 2017, following an increase of \$11.9 million in 2016. The table below illustrates the fluctuations in aggregate CCC UNP over the past ten years:

FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	
\$32.8	\$24.2	\$37.9	\$39.2	\$28.3	\$15.2	\$13.3	\$25.7	\$37.7	\$45.7	
UNP Adjusted for Pension Liability:							(\$492.0)	(\$475.9)	(\$466.0)	(\$505.5)

THE CCC's UNRESTRICTED NET POSITION (less NPL) - in thousands of dollars



**Statement of Revenues, Expenses and Changes in Net Position**

The Statement of Revenues, Expenses and Changes in Net Position presents CCC’s results of operations, as well as the non-operating revenues and expenses. Total *operating revenues* for fiscal year 2017 were \$139.8 million after the reduction for scholarship allowances, an increase of 2.8% from \$136.0 million in fiscal year 2016. *Student tuition and fees* represent the largest portion of operating revenue on a gross basis, but are offset by student financial aid and waivers resulting in net tuition and fee revenue of \$97.8 million after scholarship allowances. This differs from budgetary practices, which recognize revenue on a gross basis without offset for scholarship allowances. On a gross basis, fiscal year 2017 tuition revenues increased 1.0% from the previous year, to \$175.8 million. These revenues reflect a FTE credit enrollment decrease of 4.6% in fiscal year 2017 and of 4.6% in fiscal year 2016. Extension fee revenues increased \$1.8 million from \$24.9 million in fiscal year 2016 to \$26.7 million in fiscal year 2017.

The Connecticut Community Colleges recorded an operating loss of \$454.3 million during the year ended June 30, 2017. This results primarily from the fact that the State general fund appropriation and related fringe benefits, as well as State bond fund appropriations are classified as *non-operating revenues*, although the expenditure of these resources on personnel, non-capital equipment and depreciation are considered to be an operating expense. Other non-operating activity includes private gifts and donations, investment income earned on cash balances invested by the State treasurer’s office, and non-mandatory transfers between individual colleges and the System Office. The State general fund appropriation for salaries increased by 1.2% and the associated revenues to cover fringe benefit costs decreased by 1.2%, to \$164.7 million and \$119.2 million, respectively. Bond fund appropriation revenues decreased from \$114.3 million in 2016 to \$34.9 million in 2017. When the full value of the general fund appropriation and fringe benefits, capital appropriations, and other non-operating revenue and expense is taken into account, the System recorded a total 2017 net decrease in net position of \$61.3 million compared with \$76.9 million increase in 2016.

**Condensed Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2017, 2016 and 2015**  
**(in thousands)**

	2017	2016	2015 (Restated*)	% Change	
				current yr	prior yr
<b>OPERATING REVENUES</b>					
Tuition and fees, net	\$ 97,770	\$ 97,929	\$ 95,994	0%	2%
Government grants and contracts	32,569	29,608	27,638	10%	7%
Additional operating revenues	9,418	8,432	7,839	12%	8%
Total operating revenues	<u>139,757</u>	<u>135,969</u>	<u>131,471</u>	3%	3%
<b>OPERATING EXPENSES</b>					
Expenses before depreciation	563,580	518,601	505,185	9%	3%
Depreciation	30,457	29,674	29,191	3%	2%
Total operating expenses	<u>594,037</u>	<u>548,275</u>	<u>534,376</u>	8%	3%
Operating loss	<u>(454,280)</u>	<u>(412,306)</u>	<u>(402,905)</u>	-10%	-2%
<b>NON-OPERATING REVENUES</b>					
State appropriations - general fund	283,937	300,639	287,196	-6%	5%
State appropriations - bond fund	34,887	114,349	53,746	-69%	113%
PELL grants	72,093	74,295	81,395	-3%	-9%
Other non-operating revenues (expenses), net	2,052	(101)	1,660	2132%	-106%
Total non-operating revenues	<u>392,969</u>	<u>489,182</u>	<u>423,997</u>	-20%	15%
<b>NET POSITION</b>					
Change in net position	(61,311)	76,876	21,092	-180%	264%
Net position, beginning of year	<u>356,523</u>	<u>279,647</u>	<u>258,555</u>	27%	8%
Net position, end of year	<u>\$ 295,212</u>	<u>\$ 356,523</u>	<u>\$ 279,647</u>	-17%	27%

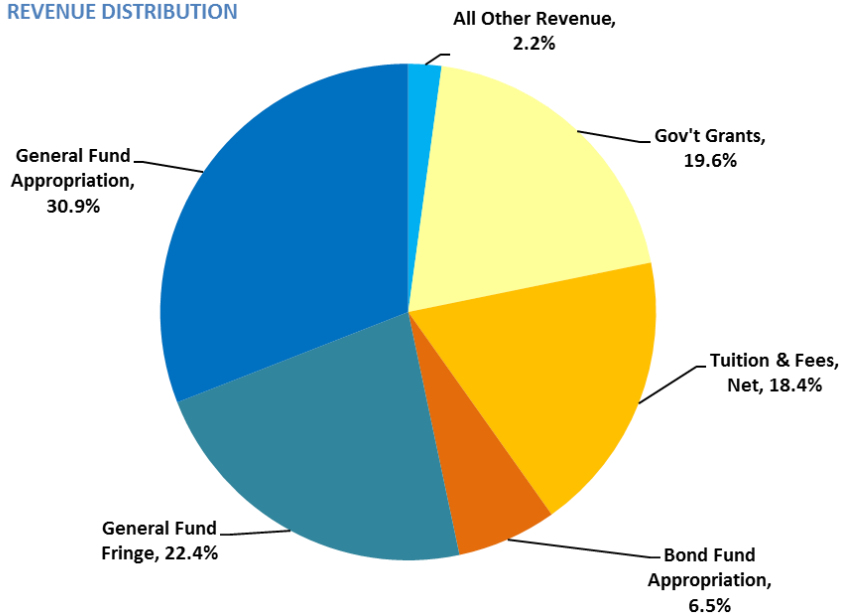
\*Amounts previously reported for beginning net position for the adoption of GASB 68 in fiscal year 2015 have been restated. In addition, PELL grant revenues has been reclassified from operating revenues to non-operating revenues.

*Government grant revenues* are comprised primarily of student financial aid programs including the Supplemental Education Opportunity Grant (“SEOG”) programs. Other government grants include funding for various program-related activities. Government grant revenues at June 30, 2017 were \$104.7 million; federal dollars were down \$5.1 million and state dollars were up \$5.8 million from the previous fiscal year.

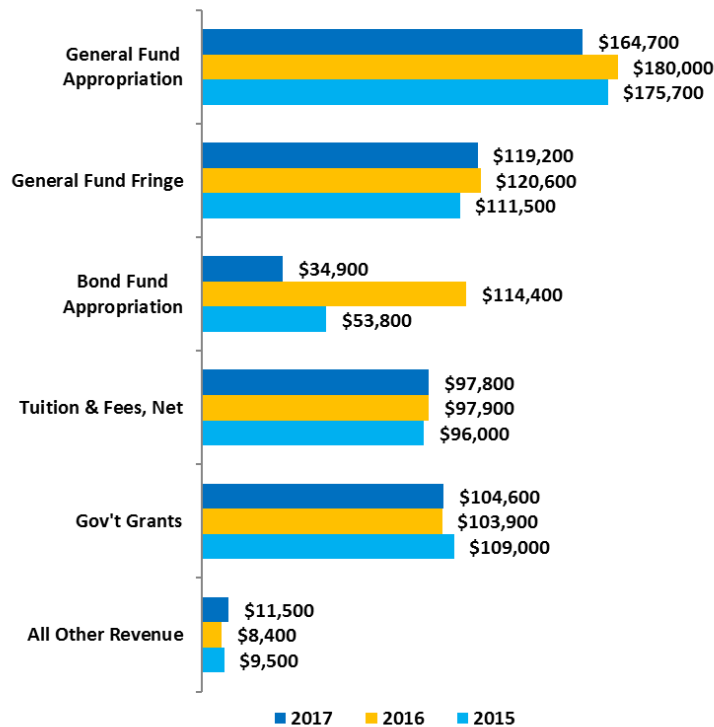
Other revenues totaled \$9.4 million in 2017, up from \$8.4 million in 2016. Other revenues include sales or commission revenues from college- or vendor-operated cafeterias, bookstores, and daycare centers, early childhood education, food services, and private gifts and grants.



REVENUE DISTRIBUTION



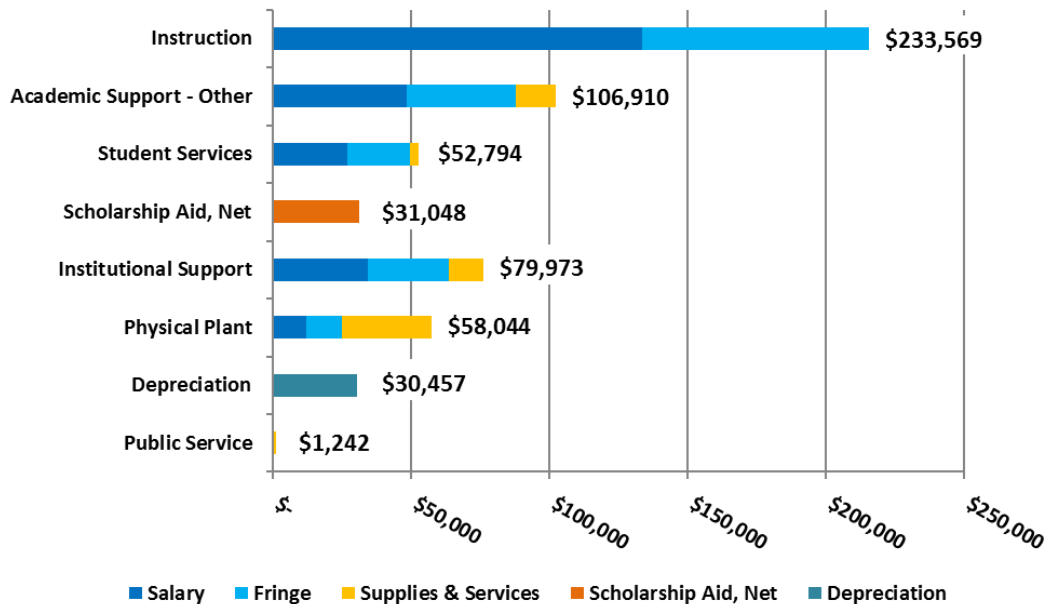
REVENUE SUMMARY (in thousands of dollars)



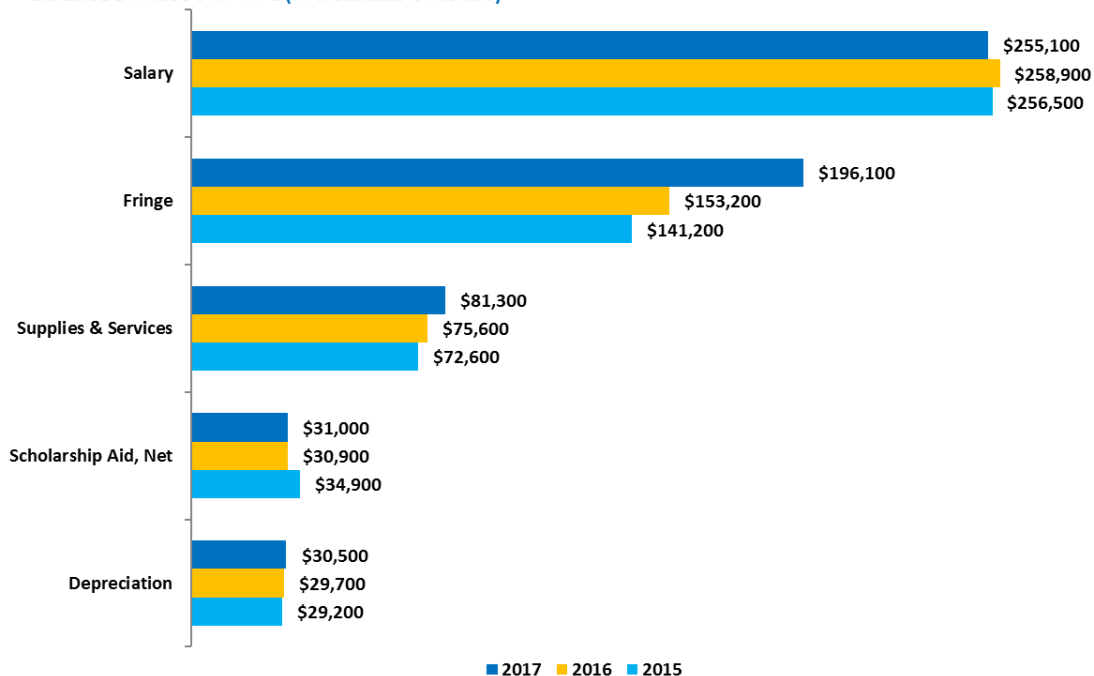
Total operating expenses for fiscal year 2017 were \$594.0 million, after reductions for the amount of student financial aid and waivers applied to student tuition and fees. This reflects an operating expense increase of 8% from \$548.3 million in fiscal year 2016. The \$45.7 million increase in fiscal year 2017 is primarily due to fringe expense related to the booking of pension expenses in accordance with GASB 68 requirements. Without reflecting GASB 68 related entries, CCC operating expenses saw nearly no change as it was \$546.5 million and \$546.2 million in fiscal year 2017 and fiscal year 2016, respectively.

Operating expenses include \$451.2 million for salary and wages and related fringe benefits, or 76.0% of total operating expense. In addition, operating expenses include \$31.0 million in net scholarship aid expense refunded to students, \$30.5 million in depreciation expense and \$81.3 million for all other service and supply costs. Supplies and services include non-capital telecommunications and information technology-related services and supplies; premises and property-related expenses including utilities, security, maintenance and repairs, custodial and grounds, and all other non-personnel costs of operating the colleges.

**2017 OPERATING EXPENSES (in thousands of dollars)  
by Program and Account Type**



**EXPENSE BY ACCOUNT TYPE (in thousands of dollars)**



**Statement of Cash Flows**

The statement of cash flows presents the significant sources and uses of cash. Major sources of *operating activity* cash inflows include receipts of student tuition and fees of \$96.6 million, a \$1.4 million increase from 2016 and receipts from government grants and contracts of \$36.4 million, up 21.3% from 2016. Cash is also received from private grants and contracts, miscellaneous auxiliary and educational sales, and other activities. The largest operating cash outflows include salaries paid to employees of \$250.3 million, down 2.1% from 2016, fringe benefits paid on behalf of employees of \$146.9 million, down 1.8% from 2016, vendor payments of \$87.2 million, up 5.5% from 2016 and payments to students of \$35.9 million, down 0.9% from 2016 including financial aid grants and loans (above the amounts applied to tuition and fee charges), student work study or other employment, and tuition and fee refunds. Net cash used by operating activities decreased 3.0% during fiscal year 2017.

The largest inflow of cash related to *non-capital financing* is State appropriations, which were \$299.1 million, including general fund appropriations for salaries and related fringe benefits, and the portion of bond appropriations expended for non-capitalized equipment, deferred maintenance and other non-capital items. Other non-capital financing cash inflows include PELL grants of \$71.8 million, private gift receipts of \$1.2 million and Federal Family Education Loan Program (FFELP) receipts of \$8.6 million.

*Capital financing* cash flows result primarily from the receipt or reallocation of capital appropriations and from cash outlays made to purchase capital assets either by the CCC’s directly, or by DAS on the System’s behalf. During fiscal year 2017, capital financing net cash inflows of \$15.4 million reflected the receipt of bond appropriations, \$72.4 million was spent on college facility projects administered by DAS, and \$13.5 million for repairs and maintenance, capital equipment and system technology initiatives at the colleges and system office. Cash provided by *investing activities* represents interest income earned on operating fund cash balances invested by the State treasurer on behalf of the System, and distributed quarterly. Cash inflows from the STIF rose from \$219 thousand in fiscal year 2016 to \$495 thousand in fiscal year 2017.

**Condensed Statements of Cash Flows**

**Years Ended June 30, 2017, 2016 and 2015**

(in thousands)

	2017	2016	2015 (Restated*)	% Change	
				current yr	prior yr
<b>NET CASH PROVIDED BY (USED IN)</b>					
Operating activities	\$ (375,366)	\$ (387,014)	\$ (385,889)	3%	0%
Noncapital financing activities	380,689	390,855	382,411	-3%	2%
Capital and related financing activities	(70,521)	49,105	20,743	-244%	137%
Investing activities	495	219	134	126%	63%
Net change in cash and cash equivalents	(64,703)	53,165	17,399	-222%	206%
<b>CASH AND CASH EQUIVALENTS</b>					
Cash and cash equivalents, beginning of year	237,833	184,668	167,269	29%	10%
Cash and cash equivalents, end of year	\$ 173,130	\$ 237,833	\$ 184,668	-27%	29%

\*Restated to reflect PELL revenue as noncapital financing activities rather than operating activities.

## Economic Outlook

The Connecticut Community Colleges will confront significant fiscal challenges requiring fundamental changes in the years ahead. The factors having the greatest financial impact on the CCC are projected flattening and declining numbers of high school graduates, which contributes to lower enrollments, and the continued fiscal challenges faced by the State of Connecticut, resulting in decreased state funding. Additionally, while state support continues to decrease, the cost of fringe benefits for state employees continues to rise.

The following table illustrates Fall Headcount and Full-Time Equivalent (“FTE”) student attendance at the CCCs:

Fall Headcount Enrollment and Full-Time Equivalent				
Year Ended 30-Jun	Headcount	% Change	Full-Time Equivalent	% Change
2017	50,548	-4.2%	29,019	-4.6%
2016	52,761	-4.3%	30,430	-4.6%
2015	55,154	-3.2%	31,886	-3.0%
2014	56,976	-2.2%	32,882	-1.6%
2013	58,228	1.9%	33,410	0.6%

As indicated above, the CCCs have experienced declining headcount and FTE enrollments over the periods presented. With the continued emphasis on affordability keeping tuition and fee increases as low as possible, the resulting tuition and fee revenue has not kept pace with cost increases in wages and especially fringe benefits.

Further, the economic climate in the State of Connecticut has resulted in lower levels of general fund appropriations year on year since fiscal year 2015. It is management’s belief that the state will continue to experience fiscal pressures and therefore management has embarked on a bold plan for reorganization, targeted to significantly reduce system costs, and especially costs of operating the twelve community colleges.

Management has presented this plan, called “Students First” to its Board, to staff and faculty, to students, to legislators, and to the New England Association of Schools and Colleges (“NEASC”). NEASC is the accrediting body for all institutions of higher education in New England. On the most part, the plans have been met with great interest and support.

The plan consists of two areas of consolidation: (1) consolidation of administrative areas serving the colleges, universities, and Charter Oak State College, and (2) a consolidation of the twelve colleges into a singly accredited institution. It is expected that the latter will take effect on July 1, 2019 after considerable planning and transition.

On October 31, 2017, the Governor signed a bipartisan budget passed by the General Assembly for the biennium ending June 30, 2019. The package included an \$880 million shortfall, which the Governor closed on November 17, 2017. The CSCU portion of the holdbacks and lapses totaled \$26 million when considering the impact of fringe benefits. Management continues to work on the implementation of the Students First strategic initiatives in order to cut costs and compensate for the continued cuts in state funding.

Detailed information concerning the consolidation of administrative areas and the singly accredited college is available on the CSCU website.



## **Additional Information**

This financial report is designed to provide a general overview of CCC's finances and to show accountability for the funds it receives. Questions about this report or requests for additional financial information should be directed to Erika Steiner, Chief Financial Officer, Connecticut State Colleges & Universities (860-723-0251). College-specific questions may also be directed to the Dean of Administration at each individual college.



Grant Thornton LLP  
1400 Computer Drive, 3rd Floor  
Westborough, MA 01581  
T 508.926.2200  
F 508.616.2972  
[GrantThornton.com](http://GrantThornton.com)  
[linkd.in/GrantThorntonUS](https://www.linkedin.com/company/grantthorntonus)  
[twitter.com/GrantThorntonUS](https://twitter.com/GrantThorntonUS)

## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Regents of  
**Connecticut State University System**

### **Report on the financial statements**

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Connecticut Community Colleges, an enterprise fund of the State of Connecticut (collectively, the “System”) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the System’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 did not audit the financial statements of the aggregate discretely presented component units (the affiliated foundations (the “Foundations”)), which statements reflect total assets of \$54.1 million and \$51.1 million and total net assets of \$51.8 million and \$49.2 million as of June 30, 2017 and 2016, respectively and total revenues, capital gains and losses, and other support of \$11.7 million and \$7.2 million for the years then ended, respectively. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundations, is based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System'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 System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the Connecticut Community Colleges as of June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Emphasis of Matter

As discussed in Note 1, the financial statements present only the System, an enterprise fund of the State of Connecticut, and do not purport to, and do not, present fairly the financial position of the State of Connecticut as of June 30, 2017 and 2016, the changes in its financial position, or, where applicable, its cash flows for the years the ended in accordance with accounting principles generally accepted in the United States of America. 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 accompanying Management's Discussion and Analysis on pages 1 through 12 and the Schedule of Net Pension Liability and Related Ratios and Schedule of Contributions on pages 43 through 44 be presented to supplement the basic financial statements. Such information, although not a required 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. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The supplemental Combining Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Fund Group included on pages 47 through 57 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary 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 basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in dark ink that reads "Grant Thornton LLP". The signature is written in a cursive, professional style.

Westborough, Massachusetts  
December 20, 2017



**Connecticut Community Colleges**  
**Statements of Net Position**  
As of June 30, 2017 and 2016



	<b>Primary Institution</b> (in thousands)		<b>Component Unit</b> <b>Magnet High School</b> (in thousands)	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 173,130	\$ 237,833	\$ 475	\$ 424
Accounts receivable, due from the State	30,448	29,317	49	44
Accounts receivable other, net	17,606	15,572	-	7
Prepaid expenses	833	687	-	-
Total current assets	<u>222,017</u>	<u>283,409</u>	<u>524</u>	<u>475</u>
<b>Non-current assets</b>				
Capital assets, net	733,589	675,766	25,186	26,044
Student loans, net	275	153	-	-
Total non-current assets	<u>733,864</u>	<u>675,919</u>	<u>25,186</u>	<u>26,044</u>
Total assets	<u>\$ 955,881</u>	<u>\$ 959,328</u>	<u>\$ 25,710</u>	<u>\$ 26,519</u>
<b>Deferred outflows of resources</b>				
Deferred pension	303,265	105,988	-	-
Total deferred outflows of resources	<u>\$ 303,265</u>	<u>\$ 105,988</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 6,507	\$ 4,681	\$ 250	\$ 82
Accrued expenses - salary and fringe benefits	38,577	37,024	63	63
Accrued compensated absences - current portion	3,509	3,545	5	7
Unearned tuition, fees and grant revenue	16,583	14,386	-	24
Retainage	4,854	1,813	-	-
Agency and loan fund liabilities	1,817	1,441	-	-
Other liabilities	721	812	-	-
Total current liabilities	<u>72,568</u>	<u>63,702</u>	<u>318</u>	<u>176</u>
<b>Non-current liabilities</b>				
Pension liability, net	842,126	606,997	-	-
Accrued compensated absences - long-term portion	36,687	35,243	50	67
Other long-term liabilities	162	154	-	-
Total non-current liabilities	<u>878,975</u>	<u>642,394</u>	<u>50</u>	<u>67</u>
Total liabilities	<u>951,543</u>	<u>706,096</u>	<u>368</u>	<u>243</u>
<b>Deferred inflows of resources</b>				
Deferred pension	12,391	2,697	-	-
Total deferred inflows of resources	<u>\$ 12,391</u>	<u>\$ 2,697</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net position</b>				
Invested in capital assets, net of related debt	\$ 733,589	\$ 675,766	\$ 25,186	\$ 26,044
<b>Restricted</b>				
Nonexpendable	20	20	-	-
Expendable	67,125	146,783	77	80
Unrestricted	(505,522)	(466,046)	79	152
Total net position	<u>\$ 295,212</u>	<u>\$ 356,523</u>	<u>\$ 25,342</u>	<u>\$ 26,276</u>

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

	<b>Component Unit Foundations</b>	
	(in thousands)	
	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 6,614	\$ 7,805
Accounts receivable, net	52	22
Contributions receivable, net	1,982	1,700
Grants receivable	-	5
Other receivables	-	410
Prepaid expenses and other assets	61	56
Investments	45,426	41,146
Total assets	<u>\$ 54,135</u>	<u>\$ 51,144</u>
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 689	\$ 564
Annuities payable	50	55
Scholarships payable	14	26
Other liabilities	1,616	1,348
Total liabilities	<u>2,369</u>	<u>1,993</u>
<b>Net Assets</b>		
Unrestricted	4,518	3,976
Temporarily restricted	16,770	15,550
Permanently restricted	30,477	29,625
Total net assets	<u>51,765</u>	<u>49,151</u>
 Total liabilities and net assets	 <u>\$ 54,134</u>	 <u>\$ 51,144</u>

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

# Connecticut Community Colleges

## Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2017 and 2016



	<b>Primary Institution</b>		<b>Component Unit</b>	
	(in thousands)		<b>Magnet High School</b>	
	2017	2016	2017	2016
<b>Operating revenue</b>				
Student tuition and fees	\$ 175,794	\$ 174,093	\$ -	\$ -
Less: Scholarship discounts and allowances	(78,024)	(76,164)	-	-
Net tuition and fees	<u>97,770</u>	<u>97,929</u>	<u>-</u>	<u>-</u>
Federal grants and contracts	17,985	20,839	2,738	2,799
State and local grants and contracts	14,584	8,769	24	7
Private grants and contracts	4,235	3,454	-	-
Sales and services of educational departments	661	724	-	-
Other operating revenues	4,522	4,254	1,039	1,128
Total operating revenues	<u>139,757</u>	<u>135,969</u>	<u>3,801</u>	<u>3,934</u>
<b>Operating expenses</b>				
Instruction	233,569	213,347	1,967	2,051
Public service	1,242	984	-	-
Academic support	94,944	88,546	212	219
Library	11,966	10,908	35	99
Student services	52,794	46,984	538	516
Scholarship aid, net	31,048	30,937	-	-
Institutional support	79,973	72,951	1,176	1,148
Physical plant	58,044	53,944	745	581
Depreciation	30,457	29,674	855	909
Total operating expenses	<u>594,037</u>	<u>548,275</u>	<u>5,528</u>	<u>5,523</u>
Operating loss	<u>(454,280)</u>	<u>(412,306)</u>	<u>(1,727)</u>	<u>(1,589)</u>
<b>Nonoperating revenues</b>				
State appropriations - general fund	283,937	300,639	793	775
State appropriations - bond funds	34,887	114,349	-	-
PELL grants	72,093	74,295	-	-
Private gifts	1,243	1,408	-	-
Interest income	622	276	-	-
Mandatory transfer to State	-	(1,800)	-	-
Other non-operating revenues, net	187	15	-	-
Net non-operating revenue	<u>392,969</u>	<u>489,182</u>	<u>793</u>	<u>775</u>
Change in net position	(61,311)	76,876	(934)	(814)
Net position at beginning of year	356,523	279,647	26,276	27,090
Net position at end of year	<u>\$ 295,212</u>	<u>\$ 356,523</u>	<u>\$ 25,342</u>	<u>\$ 26,276</u>

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

	<b>Component Unit Foundations</b>	
	(in thousands)	
	<u>2017</u>	<u>2016</u>
<b>Revenue, capital gains and losses and other support</b>		
Gifts and grants	\$ 7,610	\$ 6,718
Gifts in kind	27	88
Events and activities	902	1,002
Dividends and interest income	623	326
Net realized and unrealized gain/(loss) on investments	2,567	(931)
Total revenue, capital gains and losses and other support	<u>11,729</u>	<u>7,203</u>
<b>Expenses</b>		
Fundraising events	575	724
Campus facilities, projects and equipment	93	200
Grants	207	416
Museum	96	101
Program services	3,125	2,344
Scholarships, awards, and financial aid	1,866	1,954
Management and general	1,563	1,841
College advancement	1,590	962
Total expenses	<u>9,115</u>	<u>8,542</u>
Net income (loss)	<u>2,614</u>	<u>(1,339)</u>
Change in net assets	2,614	(1,339)
<b>Net assets</b>		
Net assets at beginning of year	49,151	50,490
Net assets at end of year	<u>\$ 51,765</u>	<u>\$ 49,151</u>

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

# Connecticut Community Colleges

## Statements of Cash Flows

June 30, 2017 and 2016



	<b>Primary Institution</b>	
	(in thousands)	
	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>		
Student tuition and fees	\$ 96,635	\$ 95,237
Government grants and contracts	36,445	30,040
Private grants and contracts	3,912	3,823
Sales and services of educational departments	651	725
Payments to employees	(250,337)	(255,675)
Payments for fringe benefits	(146,862)	(149,616)
Payments to students	(35,901)	(36,218)
Payments to vendors	(87,179)	(82,607)
Payments by Department of Construction Services	(124)	(100)
Other receipts, net	7,394	7,377
Net cash used in operating activities	<u>(375,366)</u>	<u>(387,014)</u>
<b>Cash flows from investing activities</b>		
Interest income	495	219
Net cash provided by investing activities	<u>495</u>	<u>219</u>
<b>Cash flows from capital and related financing activities</b>		
State appropriations	15,368	105,196
Payments by Department of Construction Services	(72,438)	(45,293)
Purchase of capital assets	(13,451)	(10,798)
Net cash (used in) provided by capital and related financing activities	<u>(70,521)</u>	<u>49,105</u>
<b>Cash flows from noncapital financing activities</b>		
State appropriations	299,067	307,188
PELL grants	71,849	74,295
Private gifts	1,205	1,449
Federal Family Education Loan program ("FFELP")	8,568	9,723
Mandatory transfer to state	-	(1,800)
Net cash provided by noncapital financing activities	<u>380,689</u>	<u>390,855</u>
Net change in cash and cash equivalents	(64,703)	53,165
Cash and cash equivalents at beginning of year	237,833	184,668
Cash and cash equivalents at end of year	<u>\$ 173,130</u>	<u>\$ 237,833</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating loss	(454,280)	(412,306)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	30,457	29,674
Loss on disposal of capital assets, net	1,187	136
Operating application of FFELP Receipts	(8,568)	(9,723)
Changes in operating assets and liabilities:		
Accounts receivable, net	(2,157)	(1,172)
Prepaid expenses and other assets	(146)	535
Accrued compensation and other	3,254	2,089
Pension liability, net	235,129	55,261
Accounts payable	5,144	708
Unearned tuition, fees and grant revenue	2,197	939
Changes in deferred outflows and inflows of resources:		
Deferred pension outflows	(197,277)	(34,404)
Deferred pension inflows	9,694	(18,751)
Net cash used in operating activities	<u>\$ (375,366)</u>	<u>\$ (387,014)</u>

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

## 1. Summary of Significant Accounting Policies

### Organization

The Connecticut State Colleges and Universities System (“CSCU”) was established by the State of Connecticut (the “State”) in 2011 via Public Act 11-48 as amended by Public Act 11-61. This brought together the governance structure for the Connecticut State University System (“CSU”), the Connecticut Community College System (“CCC” or the “Colleges”) and Charter Oak State College (“COSC”) under the newly formed Board of Regents for Higher Education. The financial statements presented herein represent only the financial activities of CCC. Separate financial statements are issued for CSU and COSC.

CSCU consists of seventeen separate institutions including four state universities, twelve community colleges and Charter Oak State College. CSCU also includes the Connecticut Distance Learning Consortium (“CTDLC”) as part of COSC, which provides services and support to help educational institutions and other learning-focused organizations develop and deliver technology enhanced learning opportunities to promote workforce training and development. The CSCU system offers associate degrees, baccalaureate, graduate and certificate programs, applied doctoral degree programs in education as well as short-term certificates and individual coursework in both credit and noncredit programs.

### Basis of Presentation

The financial statements for the CCC institutions have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The primary institutions that make up the financial statements include the CCC System Office (“SO”) and the following community colleges: Asnuntuck Community College (“Asnuntuck”), Capital Community College (“Capital”), Gateway Community College (“Gateway”), Housatonic Community College (“Housatonic”), Manchester Community College (“Manchester”), Middlesex Community College (“Middlesex”), Naugatuck Valley Community College (“Naugatuck”), Northwestern Connecticut Community College (“Northwestern”), Norwalk Community College (“Norwalk”), Quinebaug Valley Community College (“Quinebaug”), Three Rivers Community College (“Three Rivers”), and Tunxis Community College (“Tunxis”), and their aggregate discretely presented component units.

CCC’s financial statements include three statements: the statements of net position, the statements of revenues, expenses, and changes in net position and the statements of cash flows.

- The statements of net position present information on all of the system’s assets, liabilities, deferred outflows and inflows, and net position.
- The statements of revenues, expenses and changes in net position present information showing how the incumbent system’s net position changed during the fiscal years presented. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, certain revenues and expenses are reported in these statements for items that will only result in cash flows in future fiscal periods (e.g., the accrual for compensated absences).



- The statements of cash flows is presented using the direct method. The direct method of cash flow reporting portrays net cash flow from operations by major class of operating receipts and expenditures (e.g., payments to employees for salaries and benefits).

There are several legally separate, tax-exempt, affiliated organizations (the “Foundations” and, in some cases, the “magnet high schools”) which must be reported as component units of CCC and are presented discretely in these financial statements. The Foundations act primarily as fund-raising organizations to supplement the resources that are available to the Colleges in support of their programs. Although the Colleges do not control the timing or amount of receipts from the Foundations, the majority of resources or income thereon that the Foundations hold and invest is restricted to the activities of the Colleges by the donors. Since these restricted resources held by the Foundations can only be used by, or for the benefit of, the Colleges, the Foundations are considered component units of CCC primary institutions.

The Foundations are private nonprofit organizations that report under FASB standards, which include guidelines for *Financial Reporting for Not-for-Profit Organizations*. 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 CCC’s financial reporting entity for these differences. The disclosures included in the financial statements address only CCC and the magnet high school and not the related Foundations. Each of the foundations issues a separate audited financial statement which may be obtained by contacting the System’s office at 61 Woodland Street, Hartford, Connecticut.

CCC has overall responsibility for Great Path Academy (“GPA”) which is an inter-district magnet high school located on the Manchester Community College campus. GPA is discretely presented and identified in a single column as a component unit on the face of CCC’s statements of net position and statements of revenues, expenses and changes in net position. CCC does not consider other magnet high schools to be component units of CCC primary institutions, because they are legally separate entities from CCC and they are separately managed and accounted for.

#### **Net Position**

Resources are classified for reporting purposes into the following four net position categories:

- **Invested in Capital Assets, Net of Related Debt**  
Capital assets, at historical cost or fair market value on date of gift, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Similar net assets are included in unrestricted net assets in the statements of the component units.
- **Restricted Nonexpendable**  
Net position subject to externally imposed stipulations that they be maintained in perpetuity by CCC. Similar net assets are referred to as permanently restricted net assets in the statements of the component units.
- **Restricted Expendable**  
Net position whose use by CCC is subject to externally imposed stipulations that can be fulfilled by actions of CCC pursuant to those stipulations or that expire by the passage of time.

Similar net assets are referred to as temporarily restricted net assets in the statements of the component units.

- **Unrestricted**

Net position that is not subject to externally imposed stipulations is considered unrestricted. Unrestricted net position may be designated for the specific purpose by actions of management or the Board of Regents (“BOR”) or may otherwise be utilized to satisfy certain contractual agreements with outside parties. Substantially all unrestricted net position will be utilized for support for academic and research programs and initiatives, and capital programs.

**Classification of Assets and Liabilities**

CCC presents short-term and long-term assets and liabilities in the statements of net position. Short-term assets include balances with maturities of one year or less, and assets expected to be received or used within one year or less, from June 30. Long-term assets represent balances with maturities of greater than one year, and assets expected to be received or used after one year, from June 30. Cash and cash equivalents and investments presented as short term in the statements of net position include balances with a maturity of one year or less from June 30. Long-term cash and cash equivalents and investments include balances with a maturity of greater than one year from June 30 and balances that have externally imposed restrictions as to use.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash held by the state treasurer in a STIF, state general fund and capital appropriations, and petty cash. The STIF, stated at market value, is held on behalf of CCC by the State Treasurer and has original maturities of three months or less (see Note 2).

The largest inflow of cash related to non-capital financing is State appropriations and the portion of bond appropriations expended for non-capitalized equipment, deferred maintenance and other non-capital items. The appropriation is treated as a cash equivalent for accounting and reporting purposes, and is included in the cash flow statement.

**Fair Value of Financial Instruments**

Fair value approximates carrying value for cash and cash equivalents, notes and accounts receivable, accounts payable, accrued interest and deposits.

**Investment in Plant**

Capital assets of the primary institutions and magnet school are stated at historical cost or, in the case of donated property, at acquisition value at the date of the gift. Land, capitalized collections, and construction in progress are not depreciated. Depreciation of capital assets is calculated on a straight-line basis over the respective asset’s estimated useful life.

Useful lives assigned to assets are as follows:

<b>Asset Class Description</b>	<b>Useful Life</b>
Land/site improvements	20-40 years
Buildings and building Improvements	20-40 years
Lease related	Life of lease
Library books	10 years
Furniture and equipment	3-15 years
Vehicles	4 years
Artwork non-collection	10 years
Software	5 years
Other personal property	10 years

CCC does not capitalize works of art or historical treasures that are held for exhibition, education, research and public service. These collections are neither disposed of for financial gain nor encumbered in any means. Accordingly, such collections are not recognized or capitalized for financial statement purposes.

Major construction projects for new physical plant and original equipment financed by the State of Connecticut capital outlay appropriations are managed and controlled by the Division of Construction Services of the State of Connecticut (“DCS”).

Connecticut State Colleges and Universities comprehensive long-term capital infrastructure investment plan (“CSCU 2020”), was developed consistent with master facilities plans established by the individual Colleges. In regards to CSCU 2020 projects, DCS administers the larger projects - generally those with a budget in excess of \$2 million. For CSCU 2020 projects, the state general obligation bond proceeds are deposited into the CSCU 2020 Fund. When funds are allotted for CCC specific projects and the projects are approved, CCC recognizes the appropriation revenue. The revenue recognized for CSCU 2020 projects being administered by DCS is included in “State appropriations restricted for capital purposes”.

Title to all assets, whether purchased, constructed or donated, is held physically by the State of Connecticut.

**Accrued Compensated Absences (“ACA”)**

Employees earn the right to be compensated during absences for vacation leave, sick leave and related fringe benefits. The accompanying statements of net position reflect the accrual for the amounts earned as of year-end.

**Pension Obligations**

The System records pension obligations equal to the net pension liability for its defined benefit plans. The net pension liability is measured as the total pension liability, less the amount of the pension plan’s fiduciary net position. The total pension liability is determined based upon

discounting projected benefit payments based on the benefit terms and legal agreements existing at the pension plan's fiscal year end. Projected benefit payments are required to be discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits, and a tax-exempt, high-quality municipal bond rate when plan assets are not available. Because there are other state entities participating in the pension plan, the net pension liability recorded by CCC is based on an allocation of the total net pension liability, as determined by an independent actuary.

Pension expense is recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. The differences between expected and actual experience and changes in assumptions about future economic or demographic factors are reported as deferred inflows or outflows of resources and are recognized over the average expected remaining service period for employees eligible for pension benefits. The differences between expected and actual returns are reported as deferred inflows or outflows and are recognized over five years.

#### **Deferred Revenue**

Deferred revenue consist primarily of tuition and fees collected as of year-end, for the upcoming summer or fall semesters.

#### **Tuition and Fees Revenue**

Student tuition and fee revenues are recognized in the period earned. Student tuition and fee revenue is presented net of scholarship aid applied to student accounts, while other financial aid refunded directly to students is presented as scholarship aid expenses. Student tuition, college services fees, student activity fees, extension credit and non-credit program fees, and other miscellaneous student fees, recorded as gross tuition and fee revenues, represent the largest portion of operating revenue, but are offset by student financial aid grants from federal, state, local and private sources as well as by institutional aid in the form of tuition remission and statutory and other tuition and fee waivers, used to pay off student tuition and fee charges, resulting in net tuition and fee revenue after scholarship allowances. The revenue for a summer session is split between the two fiscal years, with appropriate amounts being recognized in the accounting period in which they are earned or incurred and become measurable.

#### **Operating Activities**

Operating activities as reported on the statements of revenue, expenses and changes in net position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Nearly all of CCC expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, including state appropriations, Pell grants, gifts and investment income.

#### **Income Taxes**

CCC is a component unit of the State of Connecticut and is exempt from federal and state income taxes under the doctrine of intergovernmental tax immunity found in the U.S. Constitution. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. CCC qualifies as a public charity eligible to receive charitable contributions under Section 170(b)(1)(A)(ii) of the Internal Revenue Code, as amended (the "Code").

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes at June 30 and revenues and expenses recognized during the reporting period. Major estimates include the accrual for employee compensated absences, pension liability, estimated lives of capital assets and the allowances for doubtful accounts. Actual results could differ from those estimates.

**New GASB Pronouncements**

In March 2015, the Governmental Accounting Standards Board (GASB) released Statement No. 72, *Fair Value Measurement and Application*, which would generally require state and local governments to measure investments at fair value. GASB's goal is to enhance comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. The requirements are effective for financial statements for periods beginning after June 15, 2015, with early application encouraged. CCC implemented GASB 72 in fiscal year 2016. There was no significant impact as a result of the adoption.

In June 2015, GASB released Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The adoption of this accounting pronouncement will occur in fiscal year 2018. Management is evaluating the impact this pronouncement will have on CCC.

In January 2016, GASB released Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This standard was adopted in fiscal year 2017 by CCC and there was no significant impact as a result of the adoption for CCC.

In March 2016, GASB released Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments and may include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement and that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Management expects no significant impact as a result of this adoption.

In March 2016, GASB released Statement No. 82 *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. There was no significant impact as a result of the adoption.

In March 2017, GASB released Statement No. 85 *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management is evaluating the impact this pronouncement will have.

In May 2017, GASB released Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Management is evaluating the impact this pronouncement will have.

At various dates in 2016 and 2017, GASB released Statement No. 83, *Certain Asset Retirement Obligations*, Statement No. 84, *Fiduciary Activities* and Statement No. 87, *Leases*. The requirements of these Statements are effective for future reporting periods and management is evaluating the impact these pronouncements will have.



**Reclassifications**

Certain reclassifications have been made to the June 30, 2016 financial statements to conform to the June 30, 2017 presentation. Such reclassifications did not change total assets, liabilities or changes in net position reflected in the 2016 financial statements.

**Subsequent Events**

In accordance with generally accepted accounting principles, CSCU has evaluated subsequent events for the period after June 30, 2017, through December 20, 2017, the date the financial statements were issued and no items needing to be reported were noted.

**2. Cash, Cash Equivalents and Investments**

Cash and cash equivalents is invested in the State of Connecticut Treasurer’s STIF, a combined investment pool of high quality, short-term money market instruments. CCC may add or withdraw monies on a daily basis with interest earned from date of deposit to date of withdrawal. The primary investment objectives of the STIF are the preservation of principal and the provision of liquidity to meet CCC’s daily cash flow requirements.

The STIF is managed by investment managers in accordance with the investment guidelines established by the State Treasurer. These guidelines prohibit investment in derivative securities other than floating rate securities which vary in the same direction as individual short-term money market indices, and limit the ability to enter into reverse repurchase agreements in amounts not to exceed five percent (5%) of the STIF’s net assets at the time of execution.

Cash and cash equivalents also include operating funds held by the State of Connecticut in a pooled, interest credit program which earns interest at a rate determined monthly by the Office of the State Treasurer. The interest rate at June 30, 2017 and 2016 was 1.0% and 0.44%, respectively.

Cash, cash equivalents and investments at June 30 are as follows (in thousands):

	<b>2017</b>	<b>2016</b>
Cash	\$ 105,160	\$ 93,213
Cash equivalents	67,970	144,620
Cash and cash equivalents total	<u>\$ 173,130</u>	<u>\$ 237,833</u>

Investments are pooled by the State and separate accounting is maintained as to the amounts allocable to the various funds and programs.

*Credit Risk* - Credit risk is the risk that an investor will lose money because of the default of the security issuer or investment counterparty. CCC is only invested in the State of Connecticut Treasurer’s STIF, which is a combined investment pool of high quality, short-term money market instruments. There is low risk to these types of investments.

*Concentration of Credit Risk* - Concentration of credit risk is assumed to arise when the amount of investments with one issuer exceeds 5% or more of the total value of investments. 100% of CCC

total cash, cash equivalents and investments was invested in the STIF or consist of State general fund and capital bond fund appropriations allocated to CCC as of June 30, 2017 and 2016.

*Interest Rate Risk* - Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Interest rate risk is managed by establishing targets for the preferred duration of the fixed income component of the investment portfolio by asset class by limiting investments through target allocations to different asset classes.

**3. Accounts Receivable**

Accounts receivable consist of the following at June 30 (in thousands):

	<u>2017</u>	<u>2016</u>
Tuition	\$ 7,466	\$ 6,213
College services fees	624	496
Student activity fees	46	34
Extension fees	1,407	1,137
Payment plans and returned checks	246	380
Other student fees	<u>274</u>	<u>271</u>
Subtotal	10,063	8,531
Less: Allowance for doubtful accounts	<u>(4,129)</u>	<u>(3,353)</u>
Subtotal student tuition and fee receivables, net	<u>5,934</u>	<u>5,178</u>
Third-party contracts	2,112	605
Government grants and contacts	5,871	7,641
STIF	232	93
Other receivables	<u>4,928</u>	<u>2,982</u>
Subtotal	13,143	11,321
Less: Allowance for doubtful accounts	<u>(1,471)</u>	<u>(927)</u>
Subtotal other receivables, net	<u>11,672</u>	<u>10,394</u>
Total accounts receivable, net	<u>\$ 17,606</u>	<u>\$ 15,572</u>

Student tuition and fees are due at a date established by each college not earlier than six weeks nor later than three weeks before the first day of classes unless other payment arrangements have been made. Any account not fully paid by the end of the term is entered into collections. Any unpaid account at June 30 that relates to a term from a previous fiscal year are considered doubtful and an allowance is established.

**4. Capital Assets**

Capital assets for the Primary Institution consist of the following at June 30 (in thousands):

	<b>Balance at June 30, 2016</b>	<b>Additions</b>	<b>Disposals and Adjustments</b>	<b>Transfers</b>	<b>Balance at June 30, 2017</b>
Land and land/site improvements	\$ 25,432	\$ -	\$ -	\$ 2,890	\$ 28,322
Infrastructure	516	-	-	-	516
Building and building improvements	807,951	177	-	73,644	881,772
Furnishings and equipment	87,322	7,683	(4,991)	-	90,014
Library books	6,248	265	(946)	-	5,567
Software	439	-	(229)	-	210
	<u>927,908</u>	<u>8,125</u>	<u>(6,166)</u>	<u>76,534</u>	<u>1,006,401</u>
Less: Accumulated depreciation	<u>(317,636)</u>	<u>(30,457)</u>	<u>5,809</u>	<u>-</u>	<u>(342,284)</u>
	<u>610,272</u>	<u>(22,332)</u>	<u>(357)</u>	<u>76,534</u>	<u>664,117</u>
Construction-in-progress	<u>65,494</u>	<u>81,657</u>	<u>(1,145)</u>	<u>(76,534)</u>	<u>69,472</u>
Capital assets, net	<u>\$ 675,766</u>	<u>\$ 59,325</u>	<u>\$ (1,502)</u>	<u>\$ -</u>	<u>\$ 733,589</u>

	<b>Balance at June 30, 2015</b>	<b>Additions</b>	<b>Disposals and Adjustments</b>	<b>Transfers</b>	<b>Balance at June 30, 2016</b>
Land and land/site improvements	\$ 25,407	\$ 25	\$ -	\$ -	\$ 25,432
Infrastructure	516	-	-	-	516
Building and building improvements	802,294	988	-	4,669	807,951
Furnishings and equipment	86,097	4,316	(3,087)	(4)	87,322
Library books	7,009	288	(1,053)	4	6,248
Software	439	-	-	-	439
	<u>921,762</u>	<u>5,617</u>	<u>(4,140)</u>	<u>4,669</u>	<u>927,908</u>
Less: Accumulated depreciation	<u>(291,871)</u>	<u>(29,674)</u>	<u>3,909</u>	<u>-</u>	<u>(317,636)</u>
	<u>629,891</u>	<u>(24,057)</u>	<u>(231)</u>	<u>4,669</u>	<u>610,272</u>
Construction-in-progress	<u>19,235</u>	<u>50,928</u>	<u>-</u>	<u>(4,669)</u>	<u>65,494</u>
Capital assets, net	<u>\$ 649,126</u>	<u>\$ 26,871</u>	<u>\$ (231)</u>	<u>\$ -</u>	<u>\$ 675,766</u>

**5. Accrued Compensated Absences**

Accrued compensated absences consist of the following at June 30 (in thousands):

	<u>2017</u>	<u>2016</u>
Accrued vacation	\$ 16,377	\$ 16,060
Accrued sick leave	14,336	13,588
Other accrued fringe benefits	9,483	9,140
Total accrued compensated absences	<u>40,196</u>	<u>38,788</u>
Less: current portion	<u>(3,509)</u>	<u>(3,545)</u>
Accrued compensated absences - non-current portion	<u>\$ 36,687</u>	<u>\$ 35,243</u>

Activity for compensated absences as of June 30 includes (in thousands):

<b>Balance as of June 30, 2015</b>	\$ 39,871
Increases in 2016	1,930
Payouts in 2016	(3,013)
<b>Balance as of June 30, 2016</b>	\$ 38,788
Increases in 2017	4,421
Payouts in 2017	(3,013)
<b>Balance as of June 30, 2017</b>	<u>\$ 40,196</u>

These accruals represent amounts earned by all eligible employees through the end of the fiscal year. The ACA will be settled over a number of years, and are not expected to have a significant impact on the future annual cash flows of the System. The current portion of ACA is estimated based on recent past history.

**6. Related Parties**

Periodically, public acts may be signed into law by the Governor stating that the Secretary of the Office of Policy and Management may approve monies to be transferred from CSCU's operating reserves to the State of Connecticut's General Fund. Transfers totaling \$1.8 million from CCC were made to the State of Connecticut during fiscal year 2016 and none were made in 2017.

The System Office administers certain activities centrally for the provision of management information systems and services to the Colleges. Primary among these activities are administration of certain system-wide information systems, telecommunications, capital projects planning and budgeting and technical support. Costs of such activities, including the allocation of funds to the Colleges from bond proceeds, are included in the activity of the System Office and supported by revenues from State appropriations and Colleges' tuition and fee revenues which are

allocated to the System Office through the budget allocation process. Such activities are eliminated in the statement of revenues, expenses and changes in net position.

Accrued salaries and related fringe benefit costs for CSCU employees within CCC, whose salaries will be charged to the State of Connecticut General Fund represent a related party balance. CCC has also recorded a receivable from the State of Connecticut related to allocated bond financing for capital projects when allotted by the Governor.

Amounts due from the State of Connecticut for the years ended June 30 are as follows (in thousands):

	<u>2017</u>	<u>2016</u>
Receivable for accrued salaries, interest and fringe benefits to be paid by the State of Connecticut General fund	\$30,448	\$29,317

The accompanying statements of net position includes balances among related parties. Significant balances for the years ended June 30 are as follows (in thousands):

	<u>2017</u>	<u>2016</u>
Cash balances held with the State of Connecticut on behalf of the CCC's	\$105,160	\$93,213

**7. Commitments, Contingencies and Leases**

CCC makes expenditures in connection with restricted government grants and contracts which are subject to final audit by government agencies. CCC is of the opinion that the amount of disallowances, if any, sustained through such audits would not materially affect the financial position of CCC.

CSCU is a defendant in various legal actions arising out of the normal course of its operations. Although the final outcome of such actions cannot presently be determined, management is of the opinion that eventual liability, if any, will not have a material effect on CCC's financial position.

CCC had outstanding purchase orders and related commitments for materials, services and capital expenditures that had not been received as of June 30, 2017 and 2016. These commitments are not recorded as liabilities until materials or services are received. The commitments of total net position balances at June 30 were as follows (in thousands):

	<u>2017</u>
Asnuntuck Community College	\$ 1,851
Capital Community College	903
Gateway Community College	557
Housatonic Community College	2,927
Manchester Community College	1,430
Middlesex Community College	467
Naugatuck Valley Community College	1,438
Northwestern Connecticut Community College	1,285
Norwalk Community College	430
Quinebaug Valley Community College	400
System Office	5,205
Three Rivers Community College	278
Tunxis Community College	273
	<u>\$ 17,444</u>

CCC is party to one non-cancellable operating lease contract entered into on July 1, 2012 by Gateway Community College with the City of New Haven for parking in the Temple Street Parking Garage for \$970,200 a year for 20 years.

Future minimum lease payments, all due over the next five fiscal years and thereafter under all existing operating lease contracts (cancellable and non-cancellable), are as follows (in thousands):

2018	\$ 1,353
2019	\$ 1,353
2020	\$ 1,340
2021	\$ 1,329
2022 to 2025	\$ 1,327 per year
2026 to 2032	\$ 970 per year

Rental and lease expense was \$3.5 million and \$3.3 million for the years ended June 30, 2017 and 2016, respectively.

## **8. Retirement and Other Post Employment Benefits**

### **Plan Description**

All regular full-time employees participate in one of two retirement plans. The State of Connecticut is statutorily responsible for the pension benefits of CSCU employees who participate



in the State Employees' Retirement System ("SERS"). SERS is the administrator of a single employer defined benefit public employee retirement system ("PERS"). SERS provides retirement, disability, death benefits and annual cost of living adjustments to plan members and their beneficiaries. Plan benefits, cost of living adjustments, contribution requirements of plan members and the State and other plan provisions are described in the General Statutes. SERS does not issue standalone financial reports. Information on the plan is currently publicly available in the State of Connecticut's Comprehensive Annual Financial Report prepared by the Office of the State Comptroller.

Tier III or the Hybrid Plan are the 2 primary SERS plan options available to CSCU employees first hired into state service on or after July 1, 2011 (some employees are eligible to elect the Teachers Retirement System - "TRS"). Employees hired before July 1, 2011 participate in Tier I, Tier II, Tier IIA, or TRS depending on several factors. CSCU makes contributions on behalf of the employees in SERS plans through a fringe benefit charge assessed by the State of Connecticut. The Hybrid Plan, which became effective July 1, 2011 under the 2011 agreement between the State of Connecticut and the State Employee Bargaining Agent Coalition ("SEBAC"), provides a retirement plan option for employees hired on or after July 1, 2011 in a position statutorily defined as a state teacher or a professional staff member in higher education. The Hybrid Plan is a defined benefit plan that provides members with a life-time defined benefit the same as the benefit provided under SERS Tier III with the option at the time of retirement to elect to receive a lump sum payment of their contributions with a 5% employer match and 4% interest in lieu of a defined benefit.

Alternatively, employees may choose to participate in the Alternate Retirement Plan which is managed by Prudential. Under this arrangement, plan participants contribute 5% of their pay and the State contributes 8% to individual participants' investment accounts managed by Prudential. CSCU pays a fringe benefit charge to the State which includes the 8% employer contribution and an administrative charge. The aforementioned 2011 SEBAC agreement provides CSCU employees who were both hired before July 1, 2011 and participating in ARP with a one-time irrevocable option through a date not yet determined of electing to transfer their membership from ARP to the Hybrid Plan and purchasing credit in the Hybrid Plan for their prior services at full actuarial cost.

#### **Funding Policy**

The contribution requirements of plan members and the State are established and may be amended by the State legislature subject to the contractual rights established by collective bargaining.

Tier I Plan B regular and Plan B Hazardous Duty members are required to contribute 2% and 4% of their annual salary up to the Social Security Taxable Wage Base, respectively, plus 5% above that level. Tier I Plan C and Hybrid Plan members are required to contribute 5% of their annual salary. Tier IIA Plan and Tier III Plan regular and Hazardous Duty members are required to contribute 2% and 5% of their annual salaries, respectively.

The State is required to contribute at an actuarially determined rate, which may be reduced or increased by an act of the State legislature. The rate was 44.31% and 43.42% for SERS and 30.35% and 30.35% for TRS for fiscal years ended June 30, 2017 and 2016, respectively. The State contributed \$54.2 million and \$1.6 million, on behalf of the System, for SERS and TRS, respectively, for fiscal year 2017, equal to 99.2% and 184.0% of the required contributions that

year. For fiscal year 2016, the State contributed \$49.4 million and \$1.9 million, on behalf of the System, for SERS and TRS, respectively, equal to 99.5% of the required contributions that year. Administrative costs of the plan are funded by the State.

**Net Pension Liability**

The Systems’ net pension liability is valued one year in arrears. The net pension liability recorded in the financial statements as of June 30, 2017 was measured and valued as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by the most current actuarial valuation as of that date and the net pension liability recorded in the June 30, 2016 financial statements was measured and valued as of June 30, 2015. The System’s proportion of the net pension liability was based on a projection of the System’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities and the State, actuarially determined. For the TRS plan, the CCC System’s proportion was 0.09% and 0.11 %, as of June 30, 2017 and 2016, respectively. For the SERS plan, the CCC System’s proportion was 3.61% and 3.60%, as of June 30, 2017 and 2016, respectively.

All SERS and TRS assets are available to pay any participants benefits. However, the portion of each plan’s net pension liability attributable to the CCC System is calculated separately. The net pension liability for the CCC System as of June 30, 2017 and 2016 for SERS and TRS was \$829.3 million and \$12.8 million and \$594.9 million and \$12.0 million, respectively.

**Actuarial Assumptions**

**SERS:**

The total pension liability was determined using the following actuarial assumptions, applied to all periods:

<b>Measurement Year</b>	<b>2016</b>	<b>2015</b>
Inflation	2.50%	2.75%
Salary increases including inflation	3.50% to 19.50%	4.00% to 20.00%
Investment rate of return net of pension plan investment expense, including inflation	6.90%	8.00%

Mortality rates were based on the RP-2014 White Collar Mortality Table projected to 2020 by scale BB at 100% for males and 95% for females.

The actuarial assumptions used in the June 30, 2016 valuation (which was the basis for recording the June 30, 2017 financial statement liabilities) were based on the results of the actuarial experience study as of June 30, 2016.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. The best estimates of geometric rates of return for each major asset class as of 2016 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<b>Long-Term Expected</b>
		<u>Real Rate of Return</u>
Large Cap U.S. Equities	21%	5.8%
Developed Non-U.S. Equities	18%	6.6%
Emerging Market (Non-U.S.)	9%	8.3%
Real Estate	7%	5.1%
Private Equity	11%	7.6%
Alternative Investments	8%	4.1%
Fixed Income	8%	1.3%
High Yield Bonds	5%	3.9%
Emerging Market Bond	4%	3.7%
TIPS	5%	1.0%
Cash	4%	0.4%
	100%	

**TRS:**

The total pension liability was determined using the following actuarial assumptions, applied to all periods:

<u>Measurement Year</u>	<b>2016</b>	<b>2015</b>
Inflation	2.75%	3.00%
Salary increases including inflation	3.25% to 6.50%	3.75% to 7.00%
Investment rate of return net of pension plan investment expense, including inflation	8.00%	8.50%

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<b>Long-Term Expected</b>	
	<u>Target Allocation</u>	<u>Real Rate of Return</u>
Large Cap U.S. Equities	21%	5.8%
Developed Non-U.S. Equities	18%	6.6%
Emerging Market (Non-U.S.)	9%	8.3%
Real Estate	7%	5.1%
Private Equity	11%	7.6%
Alternative Investments	8%	4.1%
Fixed Income	7%	1.3%
High Yield Bonds	5%	3.9%
Emerging Market Bond	5%	3.7%
Inflation Linked Bonds	3%	1.0%
Cash	6%	0.4%
	100%	

**Discount Rate**

**SERS:**

The discount rate used to measure the total pension liability was 6.9% and 8.0% in the 2016 and 2015 measurement years, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the State’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rates. Based on those assumptions, the 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.

**TRS:**

The discount rate used to measure the total pension liability was 8.0% and 8.5% in the 2016 and 2015 measurement years, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. 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 Net Pension Liability to Changes in Discount Rate**

The following presents the current-period net pension liability of the CCC System calculated using the current-period discount rate assumption of 6.9% for SERS and 8.0% for TRS, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (in thousands):

	<b>1% Decrease (SERS-5.9%) (TRS-7.0%)</b>	<b>Current Discount (SERS-6.9%) (TRS-8.0%)</b>	<b>1% Increase (SERS-7.9%) (TRS-9.0%)</b>
SERS	\$ 984,163	\$ 829,328	\$ 700,470
TRS	15,764	12,798	10,269

**Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Defined Benefit Pension Plan**

For the years ended June 30, 2017 and 2016, the CCC System recognized pension expense of \$102.1 million and \$58.6 million, respectively. Deferred outflows of resources and deferred inflows of resources for pensions attributed to the CCC System were related to the following sources for the years ended June 30, 2017 and 2016 (in thousands):

<b>As of June 30, 2017</b>	<b>SERS</b>	<b>TRS</b>	<b>Total</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Difference between expected and actual experience	\$ 23,038	\$ -	\$ 23,038
Changes of assumptions or other inputs	147,864	1,696	149,560
Net difference between projected and actual earnings on pension plan investments	26,007	1,084	27,091
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	45,926	2,404	48,330
Employer contributions after measurement date	54,695	551	55,246
<b>Total</b>	<b>\$ 297,530</b>	<b>\$ 5,735</b>	<b>\$ 303,265</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Difference between expected and actual experience	\$ -	\$ 288	\$ 288
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	9,624	2,479	12,103
<b>Total</b>	<b>\$ 9,624</b>	<b>\$ 2,767</b>	<b>\$ 12,391</b>

As of June 30, 2016	SERS	TRS	Total
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Net difference between projected and actual earnings on pension plan investements	94	86	180
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	47,803	1,463	49,266
Employer contributions after measurement date	54,995	1,547	56,542
<b>Total</b>	<b>\$ 102,892</b>	<b>\$ 3,096</b>	<b>\$ 105,988</b>

**DEFERRED INFLOWS OF RESOURCES**

Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	2,622	75	2,697
<b>Total</b>	<b>\$ 2,622</b>	<b>\$ 75</b>	<b>\$ 2,697</b>

The net amount of deferred outflows of resources and deferred inflows of resources related to the pensions attributed to the CCC System that will be recognized in pension expense during the next five years is as follows (in thousands):

	SERS	TRS	Total
2018	\$ 51,709	\$ 512	\$ 52,221
2019	51,709	512	52,221
2020	55,830	705	56,535
2021	47,358	518	47,876
2022	26,606	142	26,748
Thereafter	-	29	29
<b>Total</b>	<b>\$ 233,212</b>	<b>\$ 2,418</b>	<b>\$ 235,630</b>

**Other Post-Employment Benefits**

The State of Connecticut provides post-retirement health care and life insurance benefits to eligible CCC employees, in accordance with Sections 5-257(d) and 5-259(a) of the Connecticut General Statutes. When employees retire, the State pays up to 100% of their health care insurance premium cost (including the cost of dependent coverage). This benefit is available to retirees of the State Employees' Retirement System and participants in the Connecticut Alternate Retirement Program who meet certain age and service criteria.

The State also pays 100% of the premium cost for a portion of the employee's life insurance continued after retirement. The amount of life insurance continued at no cost to the retiree is determined in a formula based on the number of years of State service that the retiree had at the time of retirement. The State finances the cost of post-retirement health care and life insurance benefits. The obligations related to this benefit have not been reflected in these financial statements.

**9. Unearned Tuition, Fees and Grant Revenue**

In fiscal year 2017, a change was made to the effective date for all future term registrations within the colleges' financial system. This change resulted in most unapplied payments at June 30, 2017 being presented as unearned tuition and fees.

Unearned tuition, fees and grant revenue for the years ended June 30 are as follows (in thousands):

	<u>2017</u>	<u>2016</u>
Unearned tuition and fees	\$ 11,298	\$ -
Grants and contracts	5,180	3,818
Unapplied payments	105	10,568
Totals	<u>\$ 16,583</u>	<u>\$ 14,386</u>

**10. Natural Classification with Functional Classification**

The operating expenses by functional classification for the years ended June 30, 2017 and 2016 are summarized as follows (in thousands):

	<u>Year Ended June 30, 2017</u>					
	<u>Salaries and Wages</u>	<u>Fringe Benefits</u>	<u>Supplies and Services</u>	<u>Scholarship Aid</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	\$133,377	\$ 91,848	\$ 8,344	\$ -	\$ -	\$ 233,569
Public service	243	146	853	-	-	1,242
Academic support-other	42,209	34,782	17,953	-	-	94,944
Academic support-library	5,997	4,598	1,371	-	-	11,966
Student services	27,018	22,596	3,180	-	-	52,794
Scholarship aid	-	-	-	31,048	-	31,048
Institutional support	34,352	29,069	16,552	-	-	79,973
Physical plant	11,952	13,095	32,997	-	-	58,044
Depreciation	-	-	-	-	30,457	30,457
Total operating expenses	<u>\$255,148</u>	<u>\$ 196,134</u>	<u>\$81,250</u>	<u>\$31,048</u>	<u>\$30,457</u>	<u>\$ 594,037</u>

	<u>Year Ended June 30, 2016</u>					
	<u>Salaries and Wages</u>	<u>Fringe Benefits</u>	<u>Supplies and Services</u>	<u>Scholarship Aid</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	\$135,666	\$ 71,215	\$ 6,466	\$ -	\$ -	\$ 213,347
Public service	115	68	801	-	-	984
Academic support-other	45,470	28,653	14,423	-	-	88,546
Academic support-library	6,029	3,688	1,191	-	-	10,908
Student services	26,488	17,040	3,456	-	-	46,984
Scholarship aid	-	-	-	30,937	-	30,937
Institutional support	33,102	22,150	17,699	-	-	72,951
Physical plant	11,998	10,410	31,536	-	-	53,944
Depreciation	-	-	-	-	29,674	29,674
Total operating expenses	<u>\$258,868</u>	<u>\$ 153,224</u>	<u>\$75,572</u>	<u>\$30,937</u>	<u>\$29,674</u>	<u>\$ 548,275</u>



**11. Bonds Payable**

The State of Connecticut, through acts of its legislature, provides funding for certain major plant facilities of the System. The State obtains its funds for these construction projects from general obligation bonds which it issues from time to time. The State is responsible for all repayments of the bonds in accordance with bond indentures.

Debt service on bonds issued by the State to finance educational and general facilities is funded by the General fund of the State, which is in the custody of the State Treasurer. These bonds do not require repayment by CCC and, accordingly, the State's debt obligation attributable to CCC educational and general facilities is not reported as CCC debt in the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Net Pension Liability and Related Ratios  
 State Employee Retirement System Plan**

Last 10 Fiscal Years <sup>1</sup>

(in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
CCC System's proportion of the net pension liability	3.61%	3.60%	3.38%	3.24%
CCC System's proportionate share of the net pension liability	\$ 829,328	\$ 594,978	\$ 540,627	\$ 537,772
CCC System's covered-employee payroll	\$ 134,378	\$ 130,285	\$ 117,737	\$ 108,775
CCC System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	617%	457%	459%	494%
Plan Fiduciary net position as a percentage of the total pension liability	31.69%	39.23%	39.54%	N/A <sup>1</sup>

<sup>1</sup> Until a full 10-year trend is compiled, the System is presenting only information for years for which information is available.

**Teachers Retirement System Plan**

Last 10 Fiscal Years <sup>1</sup>

(in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
CCC System's proportion of the net pension liability	0.09%	0.11%	0.11%	0.11%
CCC System's proportionate share of the net pension liability	\$ 12,798	\$ 12,018	\$ 11,109	\$ 12,253
State's proportionate share of the net pension liability associated with the System	12,798	12,018	11,094	N/A <sup>1</sup>
Total	\$ <u>25,596</u>	\$ <u>24,036</u>	\$ <u>22,203</u>	\$ <u>12,253</u>
CCC System's covered-employee payroll	\$ 3,549	\$ 4,327	\$ 4,197	\$ 4,001
CCC System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	361%	278%	265%	306%
Plan Fiduciary net position as a percentage of the total pension liability	52.26%	59.50%	61.56%	N/A <sup>1</sup>

<sup>1</sup> Until a full 10-year trend is compiled, the System is presenting only information for years for which information is available.

**Schedule of Contributions**  
**State Employee Retirement System Plan**  
 Last 10 Fiscal Years <sup>1</sup>

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 54,676	\$ 49,636	\$ 42,837	\$ 34,343
Contributions in relation to the contractually required contribution	(54,239)	(49,388)	(42,837)	(34,309)
Contribution deficiency (excess)	<u>\$ 437</u>	<u>\$ 248</u>	<u>\$ -</u>	<u>\$ 34</u>
CCC System's covered-employee payroll	\$ 134,378	\$ 130,285	\$ 117,737	\$ 108,775
Contributions as a percentage of covered employee payroll	40.36%	37.91%	36.38%	31.54%

<sup>1</sup> Until a full 10-year trend is compiled, the System is presenting only information for years for which information is available.

**Teachers Retirement System Plan**  
 Last 10 Fiscal Years <sup>1</sup>

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 876	\$ 1,078	\$ 1,039
Contributions in relation to the contractually required contribution	(1,613)	(1,970)	(1,927)
Contribution deficiency (excess)	<u>\$ (737)</u>	<u>\$ (892)</u>	<u>\$ (888)</u>
CCC System's covered-employee payroll	\$ 3,549	\$ 4,327	\$ 4,197
Contributions as a percentage of covered employee payroll	45.45%	45.53%	45.91%

<sup>1</sup> Until a full 10-year trend is compiled, the System is presenting only information for years for which information is available.

---

**1. Changes in Benefit Terms**

For the June 30, 2015 and 2016 valuation, there were no changes in benefit terms.

For the June 30, 2016 valuation, there were two changes in assumptions:

- Rates of withdrawal, disability retirement, service retirement and mortality were adjusted to more closely reflect actual and anticipated experience. The analysis and basis for these changes are included in the latest Experience Investigation for the five year period ended June 30, 2015.
- Economic assumptions (assumed rates of inflation and investment return), the actuarial cost method, and the UAAL amortization methodology were changed in accordance with Memorandum of Agreement (MOU) between the State and SEBAC effective December 8, 2016

**SUPPLEMENTARY SCHEDULES**

	Primary Institution													Combined Total
	Asnuntuck Community College	Capital Community College	Gateway Community College	Housatonic Community College	Manchester Community College	Middlesex Community College	Naugatuck Valley Community College	Northwestern Connecticut Community College	Norwalk Community College	Quinebaug Valley Community College	Three Rivers Community College	Tunxis Community College	System Office	
<b>Assets</b>														
<b>Current assets</b>														
Cash and cash equivalents	\$ 8,945	\$ 9,476	\$ 4,774	\$ 33,990	\$ 12,187	\$ 4,174	\$ 19,662	\$ 10,836	\$ 10,496	\$ 9,080	\$ 13,031	\$ 6,281	\$ 30,198	\$ 173,130
Accounts receivable, due from the State	1,174	2,411	3,658	2,688	3,787	1,471	3,949	1,233	3,250	1,139	2,287	2,428	973	30,448
Accounts receivable other, net	1,265	1,440	1,907	2,021	1,723	1,033	2,702	174	910	544	1,286	589	2,012	17,606
Prepaid expenses	11	1	6	8	12	7	54	3	3	-	3	5	720	833
Total current assets	<u>11,395</u>	<u>13,328</u>	<u>10,345</u>	<u>38,707</u>	<u>17,709</u>	<u>6,685</u>	<u>26,367</u>	<u>12,246</u>	<u>14,659</u>	<u>10,763</u>	<u>16,607</u>	<u>9,303</u>	<u>33,903</u>	<u>222,017</u>
<b>Non-current assets</b>														
Capital assets, net	32,556	42,397	165,974	105,647	59,511	8,086	86,405	42,644	45,426	20,135	72,305	45,128	7,375	733,589
Student loans, net	28	5	1	68	-	7	(2)	7	9	-	81	71	-	275
Total non-current assets	<u>32,584</u>	<u>42,402</u>	<u>165,975</u>	<u>105,715</u>	<u>59,511</u>	<u>8,093</u>	<u>86,403</u>	<u>42,651</u>	<u>45,435</u>	<u>20,135</u>	<u>72,386</u>	<u>45,199</u>	<u>7,375</u>	<u>733,864</u>
Total assets	<u>\$ 43,979</u>	<u>\$ 55,730</u>	<u>\$ 176,320</u>	<u>\$ 144,422</u>	<u>\$ 77,220</u>	<u>\$ 14,778</u>	<u>\$ 112,770</u>	<u>\$ 54,897</u>	<u>\$ 60,094</u>	<u>\$ 30,898</u>	<u>\$ 88,993</u>	<u>\$ 54,502</u>	<u>\$ 41,278</u>	<u>\$ 955,881</u>
<b>Deferred outflows of resources</b>														
Deferred pension contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,265	\$ 303,265
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,265</u>	<u>\$ 303,265</u>
<b>Liabilities</b>														
<b>Current liabilities</b>														
Accounts payable	\$ 932	\$ 173	\$ 233	\$ 1,203	\$ 291	\$ 120	\$ 552	\$ 315	\$ 418	\$ 89	\$ 226	\$ 407	\$ 1,548	\$ 6,507
Accrued expenses-salary and fringe benefits	1,565	2,998	5,128	3,372	4,641	1,897	4,925	1,386	4,264	1,335	2,943	3,100	1,023	38,577
Accrued compensated absences-current portion	157	249	389	268	343	180	406	142	364	139	273	280	319	3,509
Unearned tuition, fees and grant revenue	432	918	1,706	1,105	2,405	960	2,073	397	1,732	309	674	1,428	2,444	16,583
Retainage	606	-	-	1,394	-	-	946	1,765	-	132	-	-	11	4,854
Agency and loan fund liabilities	48	86	207	56	198	178	321	56	257	46	237	127	-	1,817
Other liabilities	20	9	105	98	177	129	27	3	52	17	28	56	-	721
Total current liabilities	<u>3,760</u>	<u>4,433</u>	<u>7,768</u>	<u>7,496</u>	<u>8,055</u>	<u>3,464</u>	<u>9,250</u>	<u>4,064</u>	<u>7,087</u>	<u>2,067</u>	<u>4,381</u>	<u>5,398</u>	<u>5,345</u>	<u>72,568</u>
<b>Non-current liabilities</b>														
Pension liability, net	-	-	-	-	-	-	-	-	-	-	-	-	842,126	842,126
Accrued compensated absences-long-term portion	1,642	2,606	4,067	2,804	3,586	1,881	4,240	1,484	3,810	1,452	2,856	2,925	3,334	36,687
Other long-term liabilities	-	-	-	-	-	-	-	-	-	-	67	95	-	162
Total non-current liabilities	<u>1,642</u>	<u>2,606</u>	<u>4,067</u>	<u>2,804</u>	<u>3,586</u>	<u>1,881</u>	<u>4,240</u>	<u>1,484</u>	<u>3,810</u>	<u>1,452</u>	<u>2,923</u>	<u>3,020</u>	<u>845,460</u>	<u>878,975</u>
Total liabilities	<u>\$ 5,402</u>	<u>\$ 7,039</u>	<u>\$ 11,835</u>	<u>\$ 10,300</u>	<u>\$ 11,641</u>	<u>\$ 5,345</u>	<u>\$ 13,490</u>	<u>\$ 5,548</u>	<u>\$ 10,897</u>	<u>\$ 3,519</u>	<u>\$ 7,304</u>	<u>\$ 8,418</u>	<u>\$ 850,805</u>	<u>\$ 951,543</u>
<b>Deferred inflows of resources</b>														
Deferred pension asset gains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,391	\$ 12,391
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,391</u>	<u>\$ 12,391</u>
<b>Net position</b>														
Invested in capital assets, net of related debt	\$ 32,557	\$ 42,397	\$ 165,974	\$ 105,647	\$ 59,510	\$ 8,086	\$ 86,405	\$ 42,644	\$ 45,426	\$ 20,135	\$ 72,305	\$ 45,128	\$ 7,375	\$ 733,589
Restricted														
Nonexpendable	-	-	-	20	-	-	-	-	-	-	-	-	-	20
Expendable	5,185	6,110	1,517	16,030	927	843	6,905	6,077	2,228	1,276	1,215	2,786	16,026	67,125
Unrestricted	835	184	(3,006)	12,425	5,142	504	5,970	628	1,543	5,968	8,169	(1,830)	(542,054)	(505,522)
Total net position	<u>\$ 38,577</u>	<u>\$ 48,691</u>	<u>\$ 164,485</u>	<u>\$ 134,122</u>	<u>\$ 65,579</u>	<u>\$ 9,433</u>	<u>\$ 99,280</u>	<u>\$ 49,349</u>	<u>\$ 49,197</u>	<u>\$ 27,379</u>	<u>\$ 81,689</u>	<u>\$ 46,084</u>	<u>\$ (518,653)</u>	<u>\$ 295,212</u>



	Primary Institution												System Office	Combined Total
	Asnuntuck Community College	Capital Community College	Gateway Community College	Housatonic Community College	Manchester Community College	Middlesex Community College	Naugatuck Valley Community College	Northwestern Connecticut Community College	Norwalk Community College	Quinebaug Valley Community College	Three Rivers Community College	Tunxis Community College		
<b>Assets</b>														
<b>Current assets</b>														
Cash and cash equivalents	\$ 25,616	\$ 10,129	\$ 5,159	\$ 53,513	\$ 10,761	\$ 4,097	\$ 35,586	\$ 23,656	\$ 10,678	\$ 13,678	\$ 12,311	\$ 6,112	\$ 26,537	\$ 237,833
Accounts receivable, due from the State	1,144	2,329	3,441	2,564	3,779	1,558	3,712	1,217	3,117	1,174	2,163	2,302	817	29,317
Accounts receivable other, net	794	1,425	1,503	1,740	1,792	1,044	2,858	124	828	584	1,015	951	914	15,572
Prepaid expenses	9	1	3	18	34	21	23	-	2	1	9	4	562	687
Total current assets	<u>27,563</u>	<u>13,884</u>	<u>10,106</u>	<u>57,835</u>	<u>16,366</u>	<u>6,720</u>	<u>42,179</u>	<u>24,997</u>	<u>14,625</u>	<u>15,437</u>	<u>15,498</u>	<u>9,369</u>	<u>28,830</u>	<u>283,409</u>
<b>Non-current assets</b>														
Capital assets, net	13,661	44,349	170,881	85,096	61,290	8,010	72,107	28,171	44,370	16,144	75,459	46,544	9,684	675,766
Student loans, net	3	(1)	-	(5)	-	10	(2)	1	(2)	-	72	77	-	153
Total non-current assets	<u>13,664</u>	<u>44,348</u>	<u>170,881</u>	<u>85,091</u>	<u>61,290</u>	<u>8,020</u>	<u>72,105</u>	<u>28,172</u>	<u>44,368</u>	<u>16,144</u>	<u>75,531</u>	<u>46,621</u>	<u>9,684</u>	<u>675,919</u>
Total assets	<u>\$ 41,227</u>	<u>\$ 58,232</u>	<u>\$ 180,987</u>	<u>\$ 142,926</u>	<u>\$ 77,656</u>	<u>\$ 14,740</u>	<u>\$ 114,284</u>	<u>\$ 53,169</u>	<u>\$ 58,993</u>	<u>\$ 31,581</u>	<u>\$ 91,029</u>	<u>\$ 55,990</u>	<u>\$ 38,514</u>	<u>\$ 959,328</u>
<b>Deferred outflows of resources</b>														
Deferred pension contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,988	\$ 105,988
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,988</u>	<u>\$ 105,988</u>
<b>Liabilities</b>														
<b>Current liabilities</b>														
Accounts payable	\$ 136	\$ 126	\$ 280	\$ 289	\$ 305	\$ 244	\$ 289	\$ 160	\$ 945	\$ 254	\$ 262	\$ 272	\$ 1,119	\$ 4,681
Accrued expenses-salary and fringe benefits	1,455	2,869	4,719	3,141	4,597	1,974	4,829	1,383	4,223	1,336	2,674	2,967	857	37,024
Accrued compensated absences-current portion	137	280	408	274	348	204	404	153	393	141	270	257	276	3,545
Unearned tuition, fees and grant revenue	256	630	1,835	1,074	2,262	898	2,364	513	1,946	241	685	1,294	388	14,386
Retainage	206	-	-	668	-	-	196	407	-	263	-	-	73	1,813
Agency and loan fund liabilities	29	60	95	76	154	122	304	48	255	47	173	78	-	1,441
Other liabilities	9	(28)	161	461	75	105	29	10	17	10	(48)	11	-	812
Total current liabilities	<u>2,228</u>	<u>3,937</u>	<u>7,498</u>	<u>5,983</u>	<u>7,741</u>	<u>3,547</u>	<u>8,415</u>	<u>2,674</u>	<u>7,779</u>	<u>2,292</u>	<u>4,016</u>	<u>4,879</u>	<u>2,713</u>	<u>63,702</u>
<b>Non-current liabilities</b>														
Pension liability, net	-	-	-	-	-	-	-	-	-	-	-	-	606,997	606,997
Accrued compensated absences-long-term portion	1,360	2,784	4,060	2,721	3,461	2,032	4,012	1,517	3,912	1,404	2,685	2,554	2,741	35,243
Other long-term liabilities	-	-	-	-	-	-	-	-	-	-	60	94	-	154
Total non-current liabilities	<u>1,360</u>	<u>2,784</u>	<u>4,060</u>	<u>2,721</u>	<u>3,461</u>	<u>2,032</u>	<u>4,012</u>	<u>1,517</u>	<u>3,912</u>	<u>1,404</u>	<u>2,745</u>	<u>2,648</u>	<u>609,738</u>	<u>642,394</u>
Total liabilities	<u>\$ 3,588</u>	<u>\$ 6,721</u>	<u>\$ 11,558</u>	<u>\$ 8,704</u>	<u>\$ 11,202</u>	<u>\$ 5,579</u>	<u>\$ 12,427</u>	<u>\$ 4,191</u>	<u>\$ 11,691</u>	<u>\$ 3,696</u>	<u>\$ 6,761</u>	<u>\$ 7,527</u>	<u>\$ 612,451</u>	<u>\$ 706,096</u>
<b>Deferred inflows of resources</b>														
Deferred pension asset gains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,697	\$ 2,697
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,697</u>	<u>\$ 2,697</u>
<b>Net position</b>														
Invested in capital assets, net of related debt	\$ 13,661	\$ 44,349	\$ 170,881	\$ 85,096	\$ 61,290	\$ 8,011	\$ 72,106	\$ 28,171	\$ 44,370	\$ 16,144	\$ 75,459	\$ 46,544	\$ 9,684	\$ 675,766
Restricted														
Nonexpendable	-	-	-	20	-	-	-	-	-	-	-	-	-	20
Expendable	23,064	5,587	2,177	37,501	1,556	1,404	24,940	19,882	2,184	6,405	2,255	3,752	16,076	146,783
Unrestricted	914	1,575	(3,629)	11,605	3,608	(254)	4,811	925	748	5,336	6,554	(1,833)	(496,406)	(466,046)
Total net position	<u>\$ 37,639</u>	<u>\$ 51,511</u>	<u>\$ 169,429</u>	<u>\$ 134,222</u>	<u>\$ 66,454</u>	<u>\$ 9,161</u>	<u>\$ 101,857</u>	<u>\$ 48,978</u>	<u>\$ 47,302</u>	<u>\$ 27,885</u>	<u>\$ 84,268</u>	<u>\$ 48,463</u>	<u>\$ (470,646)</u>	<u>\$ 356,523</u>

**Connecticut Community Colleges**

Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2017

(in thousands)



	Primary Institution													System Office	Combined Total
	Asnuntuck Community College	Capital Community College	Gateway Community College	Housatonic Community College	Manchester Community College	Middlesex Community College	Naugatuck Valley Community College	Northwestern Connecticut Community College	Norwalk Community College	Quinebaug Valley Community College	Three Rivers Community College	Tunxis Community College			
<b>Operating revenues</b>															
Student tuition and fees	\$ 7,413	\$ 11,734	\$ 24,926	\$ 16,870	\$ 23,189	\$ 9,532	\$ 22,770	\$ 4,291	\$ 22,208	\$ 5,222	\$ 14,227	\$ 13,390	\$ 22	\$ 175,794	
Less: Scholarship discounts and allowances	(3,263)	(7,322)	(11,750)	(9,178)	(8,996)	(3,695)	(9,322)	(1,949)	(8,031)	(2,672)	(6,623)	(5,223)	-	(78,024)	
Net tuition and fees	4,150	4,412	13,176	7,692	14,193	5,837	13,448	2,342	14,177	2,550	7,604	8,167	22	97,770	
Federal grants and contracts	565	1,628	1,053	880	8,021	279	2,835	621	1,017	102	459	1,183	(658)	17,985	
State and local grants and contracts	449	1,063	2,224	1,364	1,617	665	2,268	373	1,378	1,034	1,193	926	30	14,584	
Private grants and contracts	121	553	115	483	474	151	250	343	1,167	162	287	63	66	4,235	
Sales and services of educational departments	9	17	42	153	10	4	116	-	210	-	-	100	-	661	
Other operating revenues	147	235	965	472	553	237	368	117	239	86	735	364	4	4,522	
Total operating revenues	5,441	7,908	17,575	11,044	24,868	7,173	19,285	3,796	18,188	3,934	10,278	10,803	(536)	139,757	
<b>Operating expenses</b>															
Instruction	10,832	16,069	29,407	18,222	25,317	11,172	28,431	6,938	23,389	7,183	17,311	15,569	23,729	233,569	
Public service	-	22	93	-	2	36	867	169	-	12	-	-	41	1,242	
Academic support	3,870	6,006	8,591	8,771	9,581	4,429	16,164	3,043	8,063	3,373	5,233	7,332	10,488	94,944	
Library	458	938	1,425	1,039	1,418	688	1,065	679	839	665	684	952	1,116	11,966	
Student services	2,439	3,727	5,804	4,160	5,590	1,990	4,813	2,176	5,778	2,082	4,312	4,298	5,625	52,794	
Scholarship aid, net	1,101	2,705	4,282	3,575	3,596	1,334	4,354	618	3,876	1,090	2,327	2,160	30	31,048	
Institutional support	3,178	3,908	5,812	5,260	6,593	3,341	6,443	2,699	5,627	2,406	3,655	3,345	27,706	79,973	
Physical plant	2,040	3,692	8,348	6,294	6,144	1,976	7,102	1,716	4,878	2,058	4,079	2,961	6,756	58,044	
Depreciation	977	2,125	5,429	2,735	3,203	929	3,479	1,019	1,999	1,077	3,022	1,893	2,570	30,457	
Total operating expenses	24,895	39,192	69,191	50,056	61,444	25,895	72,718	19,057	54,449	19,946	40,623	38,510	78,061	594,037	
Operating loss	(19,454)	(31,284)	(51,616)	(39,012)	(36,576)	(18,722)	(53,433)	(15,261)	(36,261)	(16,012)	(30,345)	(27,707)	(78,597)	(454,280)	
<b>Nonoperating revenues (expenses)</b>															
State appropriations - general fund	12,456	20,770	34,637	24,559	30,460	13,646	34,544	11,362	25,932	11,389	20,522	20,281	23,379	283,937	
State appropriations - bond funds	4,329	1,136	1,054	4,160	1,102	253	5,730	1,603	1,682	640	350	252	12,596	34,887	
PELL grants	2,919	6,526	10,822	9,069	8,126	3,346	9,190	1,493	7,588	2,358	5,853	4,803	-	72,093	
Private gifts	153	-	37	-	2	52	55	180	669	21	70	4	-	1,243	
Mandatory transfer to State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest income	10	26	16	99	63	19	71	21	52	46	70	18	111	622	
Other non-operating revenues (expenses), net	-	-	1	-	3	-	179	2	2	-	-	-	-	187	
Net non-operating revenues	19,867	28,458	46,567	37,887	39,756	17,316	49,769	14,661	35,925	14,454	26,865	25,358	36,086	392,969	
Net income (loss) before other changes	413	(2,826)	(5,049)	(1,125)	3,180	(1,406)	(3,664)	(600)	(336)	(1,558)	(3,480)	(2,349)	(42,511)	(61,311)	
<b>Other changes</b>															
Capital and other additions (deductions)	12	-	260	549	820	905	91	770	2,311	4	429	-	(6,151)	-	
Interagency transfers	513	6	(155)	476	(4,875)	773	996	201	(80)	1,048	472	(30)	655	-	
Total other changes	525	6	105	1,025	(4,055)	1,678	1,087	971	2,231	1,052	901	(30)	(5,496)	-	
Change in net position	938	(2,820)	(4,944)	(100)	(875)	272	(2,577)	371	1,895	(506)	(2,579)	(2,379)	(48,007)	(61,311)	
Net position at July 1, 2016	37,639	51,511	169,429	134,222	66,454	9,161	101,857	48,978	47,302	27,885	84,268	48,463	(470,646)	356,523	
Net position at end of year	\$ 38,577	\$ 48,691	\$ 164,485	\$ 134,122	\$ 65,579	\$ 9,433	\$ 99,280	\$ 49,349	\$ 49,197	\$ 27,379	\$ 81,689	\$ 46,084	\$ (518,653)	\$ 295,212	

**Connecticut Community Colleges**

Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2016

(in thousands)



	Primary Institution													System Office	Combined Total
	Asnuntuck Community College	Capital Community College	Gateway Community College	Housatonic Community College	Manchester Community College	Middlesex Community College	Naugatuck Valley Community College	Northwestern Connecticut Community College	Norwalk Community College	Quinebaug Valley Community College	Three Rivers Community College	Tunxis Community College			
<b>Operating revenues</b>															
Student tuition and fees	\$ 6,412	\$ 11,816	\$ 24,707	\$ 16,321	\$ 23,196	\$ 9,728	\$ 22,813	\$ 4,338	\$ 22,223	\$ 5,207	\$ 13,275	\$ 14,008	\$ 49	\$ 174,093	
Less: Scholarship discounts and allowances	(2,535)	(7,290)	(11,707)	(8,585)	(8,976)	(3,849)	(9,329)	(2,054)	(7,641)	(2,710)	(6,290)	(5,198)	-	(76,164)	
Net tuition and fees	3,877	4,526	13,000	7,736	14,220	5,879	13,484	2,284	14,582	2,497	6,985	8,810	49	97,929	
Federal grants and contracts	433	1,957	798	1,287	4,497	712	2,758	707	4,443	425	517	624	1,681	20,839	
State and local grants and contracts	228	348	1,366	726	876	353	1,672	231	870	907	692	496	4	8,769	
Private grants and contracts	58	526	121	296	162	137	172	59	1,160	167	301	71	224	3,454	
Sales and services of educational departments	15	25	40	161	12	5	125	-	225	-	-	116	-	724	
Other operating revenues	115	355	831	272	549	194	371	82	265	147	761	259	53	4,254	
Total operating revenues	4,726	7,737	16,156	10,478	20,316	7,280	18,582	3,363	21,545	4,143	9,256	10,376	2,011	135,969	
<b>Operating expenses</b>															
Instruction	9,381	17,532	30,358	17,235	26,150	11,553	28,532	6,765	24,531	6,932	16,682	16,638	1,058	213,347	
Public service	1	9	3	-	1	15	727	193	7	24	-	3	1	984	
Academic support	4,283	6,251	8,666	8,667	9,815	5,492	11,799	3,101	10,777	3,322	5,556	7,546	3,271	88,546	
Library	405	946	1,326	1,014	1,190	815	1,029	649	974	703	675	1,132	50	10,908	
Student services	2,240	3,953	5,597	4,090	5,420	2,243	4,944	2,197	6,122	1,987	3,852	3,587	752	46,984	
Scholarship aid, net	821	2,604	4,313	4,023	3,611	1,393	3,978	701	3,671	1,112	2,539	2,163	8	30,937	
Institutional support	2,374	4,940	5,764	4,601	7,151	3,343	6,245	2,811	5,674	2,550	3,642	3,935	19,921	72,951	
Physical plant	1,895	3,544	8,447	5,556	6,403	1,641	6,741	2,003	6,595	2,167	3,376	2,938	2,638	53,944	
Depreciation	851	2,142	5,456	2,724	3,193	993	3,227	1,087	2,038	690	2,811	1,801	2,661	29,674	
Total operating expenses	22,251	41,921	69,930	47,910	62,934	27,488	67,222	19,507	60,389	19,487	39,133	39,743	30,360	548,275	
Operating loss	(17,525)	(34,184)	(53,774)	(37,432)	(42,618)	(20,208)	(48,640)	(16,144)	(38,844)	(15,344)	(29,877)	(29,367)	(28,349)	(412,306)	
<b>Nonoperating revenues (expenses)</b>															
State appropriations - general fund	12,514	21,787	34,789	25,690	31,794	14,287	35,023	11,468	26,995	11,688	21,317	21,304	31,983	300,639	
State appropriations - bond funds	25,324	770	652	40,790	1,203	381	9,886	25,018	1,574	2,016	447	424	5,864	114,349	
PELL grants	2,153	6,985	11,621	8,941	8,526	3,642	9,709	1,678	7,605	2,461	5,942	5,032	-	74,295	
Private gifts	112	5	7	-	-	62	57	104	610	373	73	5	-	1,408	
Mandatory transfer to State	-	-	-	-	-	-	-	-	-	-	-	-	(1,800)	(1,800)	
Interest income	6	16	10	47	28	5	28	11	22	20	30	7	46	276	
Other non-operating revenues (expenses), net	-	-	5	-	3	-	1	-	6	-	-	-	-	15	
Net non-operating revenues	40,109	29,563	47,084	75,468	41,554	18,377	54,704	38,279	36,812	16,558	27,809	26,772	36,093	489,182	
Net income (loss) before other changes	22,584	(4,621)	(6,690)	38,036	(1,064)	(1,831)	6,064	22,135	(2,032)	1,214	(2,068)	(2,595)	7,744	76,876	
<b>Other changes</b>															
Capital and other additions (deductions)	375	-	-	1,090	597	419	83	119	428	1,011	196	905	(5,223)	-	
Interagency transfers	1,222	1,089	1,104	1,384	(755)	1,332	1,250	908	(212)	3,139	829	1,731	(13,021)	-	
Total other changes	1,597	1,089	1,104	2,474	(158)	1,751	1,333	1,027	216	4,150	1,025	2,636	(18,244)	-	
Change in net position	24,181	(3,532)	(5,586)	40,510	(1,222)	(80)	7,397	23,162	(1,816)	5,364	(1,043)	41	(10,500)	76,876	
Net position as restated at July 1, 2015	13,458	55,043	175,015	93,712	67,676	9,241	94,460	25,816	49,118	22,521	85,311	48,422	(460,146)	279,647	
Net position at end of year	\$ 37,639	\$ 51,511	\$ 169,429	\$ 134,222	\$ 66,454	\$ 9,161	\$ 101,857	\$ 48,978	\$ 47,302	\$ 27,885	\$ 84,268	\$ 48,463	\$ (470,646)	\$ 356,523	

	Primary Institution												Combined Total	
	Asnuntuck Community College	Capital Community College	Gateway Community College	Housatonic Community College	Manchester Community College	Middlesex Community College	Naugatuck Valley Community College	Northwestern Connecticut Community College	Norwalk Community College	Quinebaug Valley Community College	Three Rivers Community College	Tunxis Community College		System Office
<b>Cash flows from operating activities</b>														
Student tuition and fees	\$ 3,413	\$ 5,041	\$ 12,664	\$ 7,160	\$ 14,320	\$ 5,745	\$ 12,825	\$ 2,325	\$ 14,254	\$ 2,565	\$ 7,458	\$ 8,548	\$ 317	\$ 96,635
Government grants and contracts	929	2,591	3,124	2,920	9,680	1,131	4,899	1,038	2,634	1,272	1,580	2,181	2,466	36,445
Private grants and contracts	203	696	138	401	394	132	381	129	992	171	186	88	1	3,912
Sales and services of educational departments	9	18	42	147	10	5	116	-	207	-	-	97	-	651
Payments to employees	(10,929)	(19,096)	(31,214)	(21,716)	(29,363)	(12,668)	(32,286)	(9,414)	(27,186)	(9,366)	(18,439)	(18,376)	(10,284)	(250,337)
Payments for fringe benefits	(6,619)	(11,440)	(17,811)	(12,753)	(17,869)	(7,025)	(20,023)	(5,933)	(14,171)	(5,421)	(10,872)	(11,286)	(5,639)	(146,862)
Payments to students	(1,994)	(3,054)	(4,977)	(4,291)	(3,839)	(1,888)	(4,328)	(773)	(4,466)	(888)	(2,805)	(2,530)	(68)	(35,901)
Payments to vendors	(4,558)	(4,890)	(10,064)	(9,069)	(7,927)	(3,917)	(12,880)	(1,993)	(8,366)	(3,382)	(5,031)	(5,234)	(9,868)	(87,179)
Payments by Department of Public Works	(84)	2	-	(18)	-	-	(15)	-	-	-	-	-	(9)	(124)
Other receipts (payments), net	236	336	1,181	352	1,114	240	1,077	210	724	186	957	595	186	7,394
Net cash used in operating activities	<u>(19,394)</u>	<u>(29,796)</u>	<u>(46,917)</u>	<u>(36,867)</u>	<u>(33,480)</u>	<u>(18,245)</u>	<u>(50,234)</u>	<u>(14,411)</u>	<u>(35,378)</u>	<u>(14,863)</u>	<u>(26,966)</u>	<u>(25,917)</u>	<u>(22,898)</u>	<u>(375,366)</u>
<b>Cash flows from investing activities</b>														
Interest income	9	24	14	79	51	15	58	18	41	37	55	13	81	495
Net cash provided by investing activities	<u>9</u>	<u>24</u>	<u>14</u>	<u>79</u>	<u>51</u>	<u>15</u>	<u>58</u>	<u>18</u>	<u>41</u>	<u>37</u>	<u>55</u>	<u>13</u>	<u>81</u>	<u>495</u>
<b>Cash flows from capital and related financing activities</b>														
State appropriations	2,019	199	305	949	78	82	1,807	330	68	93	138	40	9,260	15,368
Payments by Department of Public Works	(17,363)	-	-	(21,271)	-	-	(15,843)	(13,221)	(673)	(4,067)	-	-	-	(72,438)
Purchase of capital assets	(1,745)	(180)	(245)	(691)	(638)	(326)	(1,001)	(178)	(98)	(1,156)	(512)	(187)	(6,494)	(13,451)
Interagency transfers	(170)	-	(37)	67	(17)	-	36	-	-	14	(130)	-	237	-
Net cash (used in) provided by capital and related financing activities	<u>(17,259)</u>	<u>19</u>	<u>23</u>	<u>(20,946)</u>	<u>(577)</u>	<u>(244)</u>	<u>(15,001)</u>	<u>(13,069)</u>	<u>(703)</u>	<u>(5,116)</u>	<u>(504)</u>	<u>(147)</u>	<u>3,003</u>	<u>(70,521)</u>
<b>Cash flows from noncapital financing activities</b>														
State appropriations	14,736	21,625	35,169	27,647	31,476	13,903	38,231	12,619	27,413	11,970	20,688	20,367	23,223	299,067
PELL grants	2,926	6,560	10,723	8,928	8,202	3,258	9,194	1,488	7,541	2,318	5,876	4,835	-	71,849
Private gifts	133	-	-	-	-	74	55	177	669	22	74	1	-	1,205
Federal Family Education Loan Program (FFELP)	1,495	873	697	1,227	580	511	899	157	437	-	895	797	-	8,568
Interagency transfers	683	42	(94)	409	(4,826)	805	874	201	(202)	1,034	602	220	252	-
Net cash provided by noncapital financing activities	<u>19,973</u>	<u>29,100</u>	<u>46,495</u>	<u>38,211</u>	<u>35,432</u>	<u>18,551</u>	<u>49,253</u>	<u>14,642</u>	<u>35,858</u>	<u>15,344</u>	<u>28,135</u>	<u>26,220</u>	<u>23,475</u>	<u>380,689</u>
Net increase (decrease) in cash and cash equivalents	(16,671)	(653)	(385)	(19,523)	1,426	77	(15,924)	(12,820)	(182)	(4,598)	720	169	3,661	(64,703)
Cash and cash equivalents at beginning of year	25,616	10,129	5,159	53,513	10,761	4,097	35,586	23,656	10,678	13,678	12,311	6,112	26,537	237,833
Cash and cash equivalents at end of year	<u>\$ 8,945</u>	<u>\$ 9,476</u>	<u>\$ 4,774</u>	<u>\$ 33,990</u>	<u>\$ 12,187</u>	<u>\$ 4,174</u>	<u>\$ 19,662</u>	<u>\$ 10,836</u>	<u>\$ 10,496</u>	<u>\$ 9,080</u>	<u>\$ 13,031</u>	<u>\$ 6,281</u>	<u>\$ 30,198</u>	<u>\$ 173,130</u>

	Primary Institution												Combined Total	
	Asnuntuck Community College	Capital Community College	Gateway Community College	Housatonic Community College	Manchester Community College	Middlesex Community College	Naugatuck Valley Community College	Northwestern Connecticut Community College	Norwalk Community College	Quinebaug Valley Community College	Three Rivers Community College	Tunxis Community College		System Office
<b>Cash flows from operating activities</b>														
Student tuition and fees	\$ 3,323	\$ 4,266	\$ 12,581	\$ 7,523	\$ 14,098	\$ 5,801	\$ 12,674	\$ 2,336	\$ 14,719	\$ 2,438	\$ 6,247	\$ 8,730	\$ 501	\$ 95,237
Government grants and contracts	629	2,458	2,208	1,451	4,467	1,146	5,213	954	6,887	1,460	1,062	1,035	1,070	30,040
Private grants and contracts	55	466	231	211	312	148	181	246	1,348	140	413	72	-	3,823
Sales and services of educational departments	15	21	41	174	12	5	124	-	226	-	-	107	-	725
Payments to employees	(10,700)	(20,320)	(31,816)	(21,453)	(29,656)	(13,479)	(32,718)	(9,492)	(28,413)	(9,642)	(18,405)	(19,680)	(9,901)	(255,675)
Payments for fringe benefits	(6,539)	(11,966)	(18,051)	(12,336)	(18,274)	(7,648)	(20,367)	(5,933)	(14,884)	(5,362)	(10,694)	(12,188)	(5,374)	(149,616)
Payments to students	(1,883)	(2,856)	(4,891)	(4,847)	(3,958)	(2,070)	(4,069)	(865)	(4,183)	(941)	(3,083)	(2,531)	(41)	(36,218)
Payments to vendors	(3,705)	(5,386)	(10,290)	(7,222)	(8,199)	(3,828)	(7,366)	(2,226)	(11,492)	(2,742)	(4,966)	(4,627)	(10,558)	(82,607)
Payments by Department of Public Works	-	2	(9)	-	-	-	-	(1)	-	(1)	-	(90)	(1)	(100)
Other receipts (payments), net	153	485	1,106	400	1,074	272	857	160	586	197	891	602	594	7,377
Net cash used in operating activities	<u>(18,652)</u>	<u>(32,830)</u>	<u>(48,890)</u>	<u>(36,099)</u>	<u>(40,124)</u>	<u>(19,653)</u>	<u>(45,471)</u>	<u>(14,821)</u>	<u>(35,206)</u>	<u>(14,453)</u>	<u>(28,535)</u>	<u>(28,570)</u>	<u>(23,710)</u>	<u>(387,014)</u>
<b>Cash flows from investing activities</b>														
Interest income	5	14	7	37	22	3	20	9	18	16	23	5	40	219
Net cash provided by investing activities	<u>5</u>	<u>14</u>	<u>7</u>	<u>37</u>	<u>22</u>	<u>3</u>	<u>20</u>	<u>9</u>	<u>18</u>	<u>16</u>	<u>23</u>	<u>5</u>	<u>40</u>	<u>219</u>
<b>Cash flows from capital and related financing activities</b>														
State appropriations	24,775	485	30	40,476	80	180	6,908	24,720	118	1,714	98	85	5,527	105,196
Payments by Department of Public Works	(3,088)	-	-	(8,493)	(58)	-	(23,694)	(5,414)	(1,056)	(3,399)	(12)	(76)	(3)	(45,293)
Purchase of capital assets	(426)	(550)	(131)	(428)	(647)	(280)	(211)	(121)	(342)	(237)	(456)	(248)	(6,721)	(10,798)
Interagency transfers	-	-	30	531	14	-	(7)	-	7	2,098	-	20	(2,693)	-
Net cash (used in) provided by capital and related financing activities	<u>21,261</u>	<u>(65)</u>	<u>(71)</u>	<u>32,086</u>	<u>(611)</u>	<u>(100)</u>	<u>(17,004)</u>	<u>19,185</u>	<u>(1,273)</u>	<u>176</u>	<u>(370)</u>	<u>(219)</u>	<u>(3,890)</u>	<u>49,105</u>
<b>Cash flows from noncapital financing activities</b>														
State appropriations	13,043	21,828	35,100	25,782	32,613	14,290	37,672	11,729	28,229	11,883	21,606	21,556	31,857	307,188
PELL grants	2,153	6,985	11,621	8,941	8,526	3,642	9,709	1,678	7,605	2,461	5,942	5,032	-	74,295
Private gifts	49	5	92	-	-	113	42	108	610	370	57	3	-	1,449
Federal Family Education Loan Program (FFELP)	1,528	854	1,241	1,338	507	798	968	175	354	-	1,103	857	-	9,723
Mandatory Transfer to State	(79)	(136)	(220)	(165)	(200)	(90)	(215)	(72)	(175)	(76)	(135)	(131)	(106)	(1,800)
Interagency transfers	1,300	1,478	1,397	1,018	(494)	1,931	1,472	980	(981)	1,116	970	1,596	(11,783)	-
Net cash provided by noncapital financing activities	<u>17,994</u>	<u>31,014</u>	<u>49,231</u>	<u>36,914</u>	<u>40,952</u>	<u>20,684</u>	<u>49,648</u>	<u>14,598</u>	<u>35,642</u>	<u>15,754</u>	<u>29,543</u>	<u>28,913</u>	<u>19,968</u>	<u>390,855</u>
Net increase (decrease) in cash and cash equivalents	20,608	(1,867)	277	32,938	239	934	(12,807)	18,971	(819)	1,493	661	129	(7,592)	53,165
Cash and cash equivalents at beginning of year	5,008	11,996	4,882	20,575	10,522	3,163	48,393	4,685	11,497	12,185	11,650	5,983	34,129	184,668
Cash and cash equivalents at end of year	<u>\$ 25,616</u>	<u>\$ 10,129</u>	<u>\$ 5,159</u>	<u>\$ 53,513</u>	<u>\$ 10,761</u>	<u>\$ 4,097</u>	<u>\$ 35,586</u>	<u>\$ 23,656</u>	<u>\$ 10,678</u>	<u>\$ 13,678</u>	<u>\$ 12,311</u>	<u>\$ 6,112</u>	<u>\$ 26,537</u>	<u>\$ 237,833</u>

**Connecticut Community Colleges**  
Combining Statement of Net Position by Fund Group  
As of June 30, 2017  
(in thousands)



	Primary Institution					Total
	Operating and General Funds	Endowment, Loan, and Agency Funds	Agency Administered Bond Funds	DCS Administered Bond Funds	Invested in Capital Assets	
<b>Assets</b>						
Current assets						
Cash and cash equivalents	\$ 103,443	\$ 1,717	\$ 25,878	\$ 42,092	\$ -	\$ 173,130
Accounts receivable-general fund	30,448	-	-	-	-	30,448
Accounts receivable-other	15,773	45	1,788	-	-	17,606
Prepaid expense	121	-	712	-	-	833
Total current assets	<u>149,785</u>	<u>1,762</u>	<u>28,378</u>	<u>42,092</u>	<u>-</u>	<u>222,017</u>
Non-current assets						
Land and land/site improvements	-	-	-	-	28,322	28,322
Infrastructure	-	-	-	-	516	516
Buildings and building improvements	-	-	-	-	881,772	881,772
Furnishings and equipment	-	-	-	-	90,014	90,014
Library books	-	-	-	-	5,567	5,567
Software	-	-	-	-	210	210
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,006,401</u>	<u>1,006,401</u>
Less: Accumulated depreciation	-	-	-	-	(342,284)	(342,284)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>664,117</u>	<u>664,117</u>
Construction in progress	-	-	-	-	69,472	69,472
Capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>733,589</u>	<u>733,589</u>
Student loans						
Student loans receivable	-	275	-	-	-	275
Total non-current assets	<u>-</u>	<u>275</u>	<u>-</u>	<u>-</u>	<u>733,589</u>	<u>733,864</u>
Total assets	<u>\$ 149,785</u>	<u>\$ 2,037</u>	<u>\$ 28,378</u>	<u>\$ 42,092</u>	<u>\$ 733,589</u>	<u>\$ 955,881</u>
<b>Deferred outflows of resources</b>						
Deferred pension contributions	303,265	-	-	-	-	303,265
Total deferred outflows of resources	<u>303,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,265</u>
<b>Liabilities</b>						
Current liabilities						
Accounts payable	\$ 2,469	\$ -	\$ 4,038	\$ -	\$ -	\$ 6,507
Accrued expense - salary and fringe benefits	38,577	-	-	-	-	38,577
Accrued compensated absences-current portion	3,509	-	-	-	-	3,509
Unearned tuition, fees and grant revenue	16,583	-	-	-	-	16,583
Retainage	-	-	11	4,843	-	4,854
Other liabilities	721	1,817	-	-	-	2,538
Total current liabilities	<u>61,859</u>	<u>1,817</u>	<u>4,049</u>	<u>4,843</u>	<u>-</u>	<u>72,568</u>
Non-current liabilities						
Pension liability, net	842,126	-	-	-	-	842,126
Accrued compensated absences-long-term portion	36,687	-	-	-	-	36,687
Student loans	-	162	-	-	-	162
Total non-current liabilities	<u>878,813</u>	<u>162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>878,975</u>
Total liabilities	<u>940,672</u>	<u>1,979</u>	<u>4,049</u>	<u>4,843</u>	<u>-</u>	<u>951,543</u>
<b>Deferred inflows of resources</b>						
Deferred pension asset gains	12,391	-	-	-	-	12,391
Total deferred inflows of resources	<u>12,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,391</u>
<b>Net position</b>						
Invested in capital assets, net of related debt	-	-	-	-	733,589	733,589
Restricted						
Non-expendable	-	20	-	-	-	20
Expendable	5,509	38	24,329	37,249	-	67,125
Unrestricted	(505,522)	-	-	-	-	(505,522)
Total net position	<u>\$ (500,013)</u>	<u>\$ 58</u>	<u>\$ 24,329</u>	<u>\$ 37,249</u>	<u>\$ 733,589</u>	<u>\$ 295,212</u>



**Connecticut Community Colleges**  
Combining Statement of Net Position by Fund Group  
As of June 30, 2016  
(in thousands)



	Primary Institution					Total
	Operating and General Funds	Endowment, Loan, and Agency Funds	Agency Administered Bond Funds	DCS Administered Bond Funds	Invested in Capital Assets	
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 91,712	\$ 1,501	\$ 31,230	\$ 113,390	\$ -	\$ 237,833
Accounts receivable-general fund	29,317	-	-	-	-	29,317
Accounts receivable-other	15,534	38	-	-	-	15,572
Prepaid expense	131	-	556	-	-	687
Total current assets	<u>136,694</u>	<u>1,539</u>	<u>31,786</u>	<u>113,390</u>	<u>-</u>	<u>283,409</u>
<b>Non-current assets</b>						
Land and land/site improvements	-	-	-	-	25,432	25,432
Infrastructure	-	-	-	-	516	516
Buildings and building improvements	-	-	-	-	807,951	807,951
Furnishings and equipment	-	-	-	-	87,322	87,322
Library books	-	-	-	-	6,248	6,248
Software	-	-	-	-	439	439
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>927,908</u>	<u>927,908</u>
Less: Accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(317,636)</u>	<u>(317,636)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>610,272</u>	<u>610,272</u>
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,494</u>	<u>65,494</u>
Capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>675,766</u>	<u>675,766</u>
<b>Student loans</b>						
Student loans receivable	-	153	-	-	-	153
Total non-current assets	<u>-</u>	<u>153</u>	<u>-</u>	<u>-</u>	<u>675,766</u>	<u>675,919</u>
Total assets	<u>\$ 136,694</u>	<u>\$ 1,692</u>	<u>\$ 31,786</u>	<u>\$ 113,390</u>	<u>\$ 675,766</u>	<u>\$ 959,328</u>
<b>Deferred outflows of resources</b>						
Deferred pension contributions	105,988	-	-	-	-	105,988
Total deferred outflows of resources	<u>105,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,988</u>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	\$ 2,515	\$ -	\$ 2,166	\$ -	\$ -	\$ 4,681
Accrued expense - salary and fringe benefits	37,024	-	-	-	-	37,024
Accrued compensated absences-current portion	3,545	-	-	-	-	3,545
Unearned tuition, fees and grant revenue	14,386	-	-	-	-	14,386
Retainage	-	-	74	1,739	-	1,813
Other liabilities	812	1,441	-	-	-	2,253
Total current liabilities	<u>58,282</u>	<u>1,441</u>	<u>2,240</u>	<u>1,739</u>	<u>-</u>	<u>63,702</u>
<b>Non-current liabilities</b>						
Pension liability, net	606,997	-	-	-	-	606,997
Accrued compensated absences-long-term portion	35,243	-	-	-	-	35,243
Student loans	-	154	-	-	-	154
Total non-current liabilities	<u>642,240</u>	<u>154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>642,394</u>
Total liabilities	<u>700,522</u>	<u>1,595</u>	<u>2,240</u>	<u>1,739</u>	<u>-</u>	<u>706,096</u>
<b>Deferred inflows of resources</b>						
Deferred pension asset gains	2,697	-	-	-	-	2,697
Total deferred inflows of resources	<u>2,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,697</u>
<b>Net position</b>						
Invested in capital assets, net of related debt	-	-	-	-	675,766	675,766
<b>Restricted</b>						
Non-expendable	-	20	-	-	-	20
Expendable	5,509	77	29,546	111,651	-	146,783
Unrestricted	<u>(466,046)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(466,046)</u>
Total net position	<u>\$ (460,537)</u>	<u>\$ 97</u>	<u>\$ 29,546</u>	<u>\$ 111,651</u>	<u>\$ 675,766</u>	<u>\$ 356,523</u>



**Connecticut Community Colleges**  
Combining Statement of Revenues, Expenses and  
Changes in Net Position by Fund Group  
Year Ended June 30, 2017  
(in thousands)



	<b>Primary Institution</b>					<b>Total</b>
	Operating and General Funds	Endowment, Loan, and Agency Funds	Agency Administered Bond Funds	DCS Administered Bond Funds	Invested in Capital Assets	
<b>Operating revenues</b>						
Tuition and Fees	\$ 175,794	\$ -	\$ -	\$ -	\$ -	\$ 175,794
Less: Scholarship discounts and allowances	(78,024)	-	-	-	-	(78,024)
Net tuition and fees	<u>97,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,770</u>
Federal grants and contracts	17,985	-	-	-	-	17,985
State and local grants and contracts	14,584	-	-	-	-	14,584
Private grants and contracts	4,235	-	-	-	-	4,235
Sales and services of educational departments	661	-	-	-	-	661
Other operating revenues	4,358	-	-	-	164	4,522
Total operating revenues	<u>139,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164</u>	<u>139,757</u>
<b>Operating expenses</b>						
Salaries and wages	255,148	-	-	-	-	255,148
Fringe benefits	196,134	-	-	-	-	196,134
Supplies and services	53,458	-	26,325	125	1,342	81,250
Scholarship aid, net	31,048	-	-	-	-	31,048
Depreciation	-	-	-	-	30,457	30,457
Total operating expenses	<u>535,788</u>	<u>-</u>	<u>26,325</u>	<u>125</u>	<u>31,799</u>	<u>594,037</u>
Operating loss	<u>(396,195)</u>	<u>-</u>	<u>(26,325)</u>	<u>(125)</u>	<u>(31,635)</u>	<u>(454,280)</u>
<b>Nonoperating revenues (expenses)</b>						
State appropriations - general fund	283,937	-	-	-	-	283,937
State appropriations - bond funds	-	-	30,771	4,116	-	34,887
PELL grants	72,093	-	-	-	-	72,093
Private gifts	1,200	-	-	-	43	1,243
Interest income	622	-	-	-	-	622
Mandatory transfer to State	-	-	-	-	-	-
Other non-operating revenues (expenses), net	9	-	-	178	-	187
Net non-operating revenues	<u>357,861</u>	<u>-</u>	<u>30,771</u>	<u>4,294</u>	<u>43</u>	<u>392,969</u>
Net income (loss) before other changes	(38,334)	-	4,446	4,169	(31,592)	(61,311)
<b>Other changes</b>						
Capital and other additions (deductions)	(1,181)	-	(12,692)	(75,542)	89,415	-
Interagency transfers	39	(39)	3,029	(3,029)	-	-
Total other changes	<u>(1,142)</u>	<u>(39)</u>	<u>(9,663)</u>	<u>(78,571)</u>	<u>89,415</u>	<u>-</u>
Change in net position	(39,476)	(39)	(5,217)	(74,402)	57,823	(61,311)
Net position as restated at July 1, 2015	<u>(460,537)</u>	<u>97</u>	<u>29,546</u>	<u>111,651</u>	<u>675,766</u>	<u>356,523</u>
Net position at end of year	<u>\$ (500,013)</u>	<u>\$ 58</u>	<u>\$ 24,329</u>	<u>\$ 37,249</u>	<u>\$ 733,589</u>	<u>\$ 295,212</u>

**Connecticut Community Colleges**  
Combining Statement of Revenues, Expenses and  
Changes in Net Position by Fund Group  
Year Ended June 30, 2016  
(in thousands)



	<b>Primary Institution</b>					<b>Total</b>
	Operating and General Funds	Endowment, Loan, and Agency Funds	Agency Administered Bond Funds	DCS Administered Bond Funds	Invested in Capital Assets	
<b>Operating revenues</b>						
Tuition and Fees	\$ 174,093	\$ -	\$ -	\$ -	\$ -	\$ 174,093
Less: Scholarship discounts and allowances	(76,164)	-	-	-	-	(76,164)
Net tuition and fees	<u>97,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,929</u>
Federal grants and contracts	20,839	-	-	-	-	20,839
State and local grants and contracts	8,769	-	-	-	-	8,769
Private grants and contracts	3,454	-	-	-	-	3,454
Sales and services of educational departments	724	-	-	-	-	724
Other operating revenues	4,227	-	-	-	27	4,254
Total operating revenues	<u>135,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27</u>	<u>135,969</u>
<b>Operating expenses</b>						
Salaries and wages	258,868	-	-	-	-	258,868
Fringe benefits	153,224	-	-	-	-	153,224
Supplies and services	57,269	-	17,978	164	161	75,572
Scholarship aid, net	30,937	-	-	-	-	30,937
Depreciation	-	-	-	-	29,674	29,674
Total operating expenses	<u>500,298</u>	<u>-</u>	<u>17,978</u>	<u>164</u>	<u>29,835</u>	<u>548,275</u>
Operating loss	<u>(364,356)</u>	<u>-</u>	<u>(17,978)</u>	<u>(164)</u>	<u>(29,808)</u>	<u>(412,306)</u>
<b>Nonoperating revenues (expenses)</b>						
State appropriations - general fund	300,639	-	-	-	-	300,639
State appropriations - bond funds	-	-	16,370	97,979	-	114,349
PELL grants	74,295	-	-	-	-	74,295
Private gifts	1,380	-	-	-	28	1,408
Interest income	276	-	-	-	-	276
Mandatory transfer to State	(1,800)	-	-	-	-	(1,800)
Other non-operating revenues (expenses), net	15	-	-	-	-	15
Net non-operating revenues	<u>374,805</u>	<u>-</u>	<u>16,370</u>	<u>97,979</u>	<u>28</u>	<u>489,182</u>
Net income (loss) before other changes	10,449	-	(1,608)	97,815	(29,780)	76,876
<b>Other changes</b>						
Capital and other additions (deductions)	(1,314)	-	(8,316)	(46,790)	56,420	-
Interagency transfers	54	-	(1,185)	1,131	-	-
Total other changes	<u>(1,260)</u>	<u>-</u>	<u>(9,501)</u>	<u>(45,659)</u>	<u>56,420</u>	<u>-</u>
Change in net position	9,189	-	(11,109)	52,156	26,640	76,876
Net position as restated at July 1, 2015	<u>(469,726)</u>	<u>97</u>	<u>40,655</u>	<u>59,495</u>	<u>649,126</u>	<u>279,647</u>
Net position at end of year	<u>\$ (460,537)</u>	<u>\$ 97</u>	<u>\$ 29,546</u>	<u>\$ 111,651</u>	<u>\$ 675,766</u>	<u>\$ 356,523</u>

---

**1. Basis of Presentation of Supplemental Information**

The supplementary schedules are presented to provide information from the stand-alone books and records of the colleges and system office. The supplementary schedules exclude certain eliminating entries necessary to prepare the consolidated financial statements of CCC. The supplementary schedules also do not include the impact of the adoption of GASB 68, *Pensions*, on the individual colleges as reported in the financial statements of CCC because the liability has not been allocated to the colleges but rather is reflected only at the CCC system level in the basic financial statements.