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BOARD OF TRUSTEES

William J. Dolan, Chairperson
Michael E. Flowers, Vice Chair
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Dianne A. Radigan
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A G E N D A
BOARD OF TRUSTEES MEETING
Thursday, January 28, 2010
Howard P. Grimes Board Room, Franklin Hall
6:00 p.m.

- I. Call to Order
- II. Oath of Office Administered to Newly Appointed Board Members
- III. Roll Call
- IV. Certification of Conformity with Section 121.22 (F) of the Ohio Revised Code
- V. Approval of Minutes
- VI. Communications/Recognition
 - A. Emeritus Status for Lenore Schneiderman.....1
 - B. Emeritus Status for Dr. David Hockenbery2
- VII. Consent Agenda
 - A. Rescinding of Policy 7-08, Student Suspension and Dismissal for Arrest and Conviction.....3
 - B. Allocation of Net Income for the Fiscal Year Ended June 30, 20095
 - C. Personnel Information Items.....8
- VIII. Auditor's Reports 11
- IX. Revised Operating Budget for Fiscal year 201030
- X. Financial Statements as of December 31, 2009..... 33
- XI. President's Report
 - A. Awards
 - B. Communications
 - C. Presentations/Reports

XII. Old Business

XIII. New Business

A. Report from Nominating Committee

XIV. Annual Reorganization of the Board

A. Election of Officers:

- Chairman
- Vice-Chairman
- Secretary
- Treasurer
- Deputy Treasurers

B. Oath of Office Administered to Newly-Elected Officers

C. Dates Established for Board and Committee Meetings for 2010

XV. Executive Session

XVI. Public Participation

XVII. Adjournment

Columbus State Community College



Date _____

Board Action

SUBJECT:

Emeritus Status for Lenore Schneiderman

BACKGROUND INFORMATION:

Board of Trustees Policy 3-23 enables the conferral of Emeritus status upon the retirement of an employee in recognition of outstanding service to the college. Requirements for consideration of Emeritus status include at least fifteen years employment by the college and favorable recommendations by the managers through the chain of command. Lenore Schneiderman retired from the position of Chairperson of the Human Services Department after 34 years of service to Columbus State Community College.

Lenore Schneiderman led her department with heart and conviction serving her students and supporting her faculty and programs always striving to facilitate high quality education. Lenore believed in the potential of individuals from all walks of life and mentored many from students to beginning administrators. Lenore continues to impart qualities of Columbus State even in her retirement.

Lenore Schneiderman is deserving of the Emeritus status. This recommendation has the support of Dr. Michael Snider, Interim Provost, Dr. Polly Owen, Dean of Career and Technical Programs; and Dr. M. Valeriana Moeller, President.

RECOMMENDATION:

That the Board of Trustees grant *Emeritus status* to Lenore Schneiderman, effective February 1, 2010.

Columbus State Community College



Date _____

Board Action

SUBJECT:

Emeritus Status for Dr. David Hockenbery

BACKGROUND INFORMATION:

Board of Trustees Policy 3-23 enables the conferral of Emeritus status upon the retirement of an employee in recognition of outstanding service to the college. Requirements for consideration of Emeritus status include at least fifteen years employment by the college and favorable recommendations by the managers through the chain of command. Dr. David Hockenbery retired from the position of professor after 22 years of service to Columbus State Community College.

Dr. Hockenbery was instrumental in the formation of the Arts and Sciences Division, and served as Dean of this Division from its inception in 1987 until he joined the faculty in 2007. He was responsible for establishing transfer programs with the colleges and universities in Central Ohio through articulation agreements. During his early years at Columbus State and again during his last years here, Dr. Hockenbery proved to be a gifted teacher inspiring other faculty members in the department.

Dr. David Hockenbery is deserving of the Emeritus status. This recommendation has the support of Dr. Jack Cooley, Dean, Division of the Arts and Sciences, Doug Montanaro, Chairperson, Humanities Department; and Dr. M. Valeriana Moeller, President.

RECOMMENDATION:

That the Board of Trustees grant *Emeritus status* to Dr. David Hockenbery, effective February 1, 2010.

Columbus State Community College



Date _____

BOARD ACTION

SUBJECT:

Rescinding Policy 7-08, Student Suspension and Dismissal for Arrest and Conviction.

BACKGROUND INFORMATION:

Per legal consultation, the current policy no longer applies to Columbus State Community College and is therefore, not enforceable.

RECOMMENDATION:

That the Board of Trustees approves the rescinding of Policy 7-08, Student Suspension and Dismissal for Arrest and Conviction (effective June 26, 2000).

COLUMBUS STATE COMMUNITY COLLEGE
POLICY AND PROCEDURES MANUAL

~~STUDENT SUSPENSION AND DISMISSAL~~ ~~Effective June 26, 2000~~
~~FOR ARREST AND CONVICTION~~

~~Policy No. 7-08~~

~~Page 1 of 1~~

RESCIND

- ~~(A) The conviction of a student of the college of any offense covered by Division (D) of Section 3345.23 of the Ohio Revised Code automatically effects his/her dismissal from the college, except as provided in Division (E) of that section.~~
- ~~(B) A student of the college arrested for any offense covered by Division (D) of Section 3345.23 of the Ohio Revised Code shall be afforded a hearing, as provided in Section 3345.22 of the Ohio Revised Code to determine whether he/she shall be immediately suspended by the college.~~

No Current Related Procedures.



COLUMBUS STATE COMMUNITY COLLEGE

Date _____

BOARD ACTION

SUBJECT: Allocating Net Income for the Fiscal Year Ended June 30, 2009

BACKGROUND INFORMATION:

In November 2007 the Board of Trustees adopted *Resource Planning Principles* (“the Principles”) that include the strategic allocation of net income realized in the previous fiscal year. While holding tuition in FY 2009 at \$79/credit hour, the college experienced higher than budgeted enrollment, good returns on investments in spite of the most serious economic downturn since the Great Depression, and lower than budgeted spending, the college netted income of \$11,620,498* or 8.7% of general fund revenues for the period ending June 30, 2009.

The rationale for the net income distribution pursuant to the Principles is as follows:

Budget/Tuition Stabilization Account. While this account is currently allocated at more than the minimum required by the Principles, given the significant uncertainties related to the State’s economy, particularly related to the one-time solutions used to balance the current biennial budget that will need to be addressed differently in the FY11-12 budget, and the sober forecast for an economic rebound, particularly in Ohio, it is prudent to insure this account is available to serve a growing enrollment while continuing to maintain affordable rates of tuition.

Delaware Campus Operations. Additionally, in September 2009, the Board approved a business plan for the Delaware Campus, which will open in mid-2010 and host its inaugural quarter of classes in Autumn 2010. Because the State of Ohio does not fund start-up operations, the college will fund operations through tuition and fees and start up monies until state subsidies are fully received and the campus is self-sustaining. In November 2007 the Board set aside an initial allocation of \$2.5 million. The three-year budget presented in the Plan approved by the Board calls for additional funds in the Delaware Campus Operations account to meet the projected expenses.

* The attached *Reconciliation of General Fund Net Income* reconciles the college’s general ledger with the audited financial statements, see in particular column 4 on attached reconciliation and column 1 on p. 17 of audited financial statements for the period ending June 30, 2009.

Capital Improvements & Land Acquisition. The College has benefited significantly in the past decade from special state capital funds designated for buildings to meet space shortage needs.

These funds fully funded several of the college's academic centers. State capital funds have also funded major renovations such as the recent renovation of Delaware Hall and the current design and renovation of Columbus Hall, which houses the college's educational resource center. In light of the State's significant economic uncertainties, it is wise for the college to set aside additional funds for subsequent academic centers and major renovations to supplement capital funds that may become available in future biennia.

Technology Initiatives. This account established by the Board in November 2007 and funded initially at \$2.5 million has an unallocated balance of \$900,000. As the college grows increasingly reliant on technology to meet its programmatic and operational objectives, it is critical to have sufficient funds to maintain sophisticated technology systems.

Performance Management. This account was established by the Board in January 2009 to support the college's performance-based compensation program and advance the objective of retaining and recruiting high performing employees.

RECOMMENDATION:

That the Board of Trustees approve the strategic allocation of general fund net income realized for the period ending June 30, 2009, as follows:

	<u>New or Additional Allocation</u>
Budget/Tuition Stabilization	\$4,020,499
Delaware Campus Operations	3,000,000
Capital Improvements and Land Acquisition	2,750,000
Technology Initiatives	1,600,000
PERFORMS	<u>250,000</u>
TOTAL	\$11,620,499

Allocating Net Income for the Fiscal Year Ended June 30, 2009
Page Three

**RECONCILIATION OF GENERAL FUND (Fund 10) NET INCOME
FOR THE PERIOD ENDING JUNE 30, 2009**

	(1) General Fund Fund 10	(2) All Other Funds	(3) Audit Adjustments/ Eliminations	(4) Audited Results
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS				
REVENUES				
Operating Revenues				
Student tuition and fees (net of scholarship allowances of \$13,349,350)	\$ 73,521,930	-	(13,349,350)	\$ 60,172,580
Federal grants and contracts	-	3,975,806	-	3,975,806
State and local grants and contracts	1,298,393	8,467,521	-	9,765,914
Private grants and contracts	305,268	477,392	-	782,660
Sales and services of educational departments	45,246	-	-	45,246
Auxiliary enterprises				
Bookstore	-	11,780,742	-	11,780,742
Other	-	1,741,035	-	1,741,035
Other operating revenues	123,286	-	-	123,286
	<u>75,294,123</u>	<u>26,442,496</u>	<u>(13,349,350)</u>	<u>88,387,269</u>
EXPENSES				
Operating Expenses				
Educational and general				
Instruction and departmental research	64,184,297	-	4,012,490	68,196,787
Public Service	351,320	5,041,834	-	5,393,154
Academic Support	5,369,265	-	-	5,369,265
Student services	8,949,421	-	2,674,994	11,624,415
Institutional support	26,847,390	-	(6,687,484)	20,159,906
Operation and maintenance of plant	15,928,973	-	(1,548,819)	14,380,154
Scholarships and fellowships	-	38,671,973	(13,349,350)	25,322,623
Depreciation Expense	5,079,807	23,154	-	5,102,961
Auxiliary enterprises				
Bookstore	-	11,395,718	(356,736)	11,038,982
Other	-	1,691,339	-	1,691,339
	<u>126,710,473</u>	<u>56,824,018</u>	<u>(15,254,905)</u>	<u>168,279,586</u>
	<u>(51,416,350)</u>	<u>(30,381,522)</u>	<u>1,905,555</u>	<u>(79,892,317)</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations	59,507,790	638,956	-	60,146,746
Unrestricted investment income	3,529,059	280,233	-	3,809,292
Restricted investment income	-	16,770	-	16,770
Interest on capital asset related debt	-	(770,297)	-	(770,297)
Pell Grant Revenue	-	30,505,028	-	30,505,028
Other non operating revenue (expense)	-	2,429,205	(2,264,152)	165,053
Net nonoperating revenues	<u>63,036,849</u>	<u>33,099,895</u>	<u>(2,264,152)</u>	<u>93,872,592</u>
Income (loss) before other revenues, expenses, gains or losses	11,620,499	2,718,373	(358,597)	13,980,275
Capital appropriations	-	16,153,129	-	16,153,129
Increase (decrease) in net assets	11,620,499	18,871,502	(358,597)	30,133,404
NET ASSETS				
Net assets - beginning of year	<u>94,869,660</u>	<u>136,895,260</u>	<u>388,084</u>	<u>232,153,004</u>
Net assets - end of year	<u>\$ 106,490,159</u>	<u>155,766,762</u>	<u>29,487</u>	<u>\$ 262,286,408</u>



Columbus State Community College

Date _____

Board Action

SUBJECT: Personnel Information Items

BACKGROUND INFORMATION:

In accordance with a Board of Trustees resolution approved and adopted at their regular meeting held on October 18, 1978, the President has the authority to make staff appointments to positions which have already been approved by the Board and included in the current budget, and to accept faculty and staff resignations. The attached personnel actions took place during the months of October, November, December of 2009, and January, 2010.

FOR INFORMATION ONLY

COLUMBUS STATE COMMUNITY COLLEGE

BOARD OF TRUSTEES

INFORMATION ONLY

In accordance with a Board Resolution approved and adopted at a regular meeting held on October 18, 1978, which enables the President to make employee appointments to positions which have already been approved by the Board and included in the current budget, the following persons have been **appointed**.

<u>NAME</u>	<u>POSITION</u>	<u>DEPARTMENT</u>	<u>DATE</u>	<u>SALARY</u>
Brittany Appleman (Repl. L. Karas)	Police Officer	Public Safety	01/19/10	\$30,696
Peter Carswell (New Board-Approved)	Instructor	Integrated Media & Technology	01/04/10	\$44,224
Martina Cora (Repl. P. Stegmaier)	Specialist	Facilities Planning	12/01/09	\$33,785
Judith Cockroll (Repl. B. Sweeney)	Coordinator	K-12 Initiatives	12/16/09	\$48,375
Joseph Creitz (Repl. S. Habecker)	Police Officer	Public Safety	01/19/10	\$30,696
Heather Edmunds (Repl. R. Palmer)	Associate Teacher	Child Development Center	11/02/09	\$28,652
Jerri Harris (Repl. P. Gabrenya)	Specialist	Business & Industry	11/16/09	\$33,129
Ruventia Hill (Repl. L. Preston)	Specialist	Financial Aid	11/16/09	\$33,129
Lucas Hissong (Repl. B. Stillman)	System Administrator	Data Center	01/04/10	\$58,000
Debra Hitch (Repl. J. Barnett)	Technician	Communication Technology & PC Services	01/04/10	\$40,063
Scott Nichols (Repl. M. Fergusson)	Supervisor I	Student Activities & Athletics	12/16/09	\$56,500
Elina Vayntraub (Repl. K. Ruffin)	Developer	Instructional Technology/ Distance Learning	01/04/10	\$44,034

COLUMBUS STATE COMMUNITY COLLEGE

BOARD OF TRUSTEES

INFORMATION ONLY

In accordance with a Board Resolution approved and adopted at a regular meeting held on October 18, 1978, which enables the President to make employee appointments to positions which have already been approved by the Board and included in the current budget, the following resignations/terminations have been accepted.

<u>NAME</u>	<u>POSITION</u>	<u>DEPARTMENT</u>	<u>DATE</u>
Jackie Barnett (Resignation)	Technician	Communication Technology & PC Services	11/13/09
Christopher Bell (Resignation)	Instructor	Emergency Medical Technology	12/01/09
Marla Maxter (Probationary Removal)	Technician	Public Safety	12/01/09
Angela Joseph (Resignation)	Associate Teacher	Child Development Center	10/16/09
Robert Keefer (Resignation)	Chairperson	Physical Sciences	12/18/09
Patricia McBride-Stegmaier (Resignation)	Specialist	Facilities Planning	09/30/09
Jeffrey Mellman (Retirement)	Instructor	Computer Information Technology	12/31/09
Jennifer Moore (Resignation)	Technician	Public Safety	10/29/09
Ann New (Termination)	Assistant	Records & Registration	11/12/09
Randa Palmer (Retirement)	Associate Teacher	Child Development Center	11/01/09
Judith Scherer (Resignation)	Provost	Learning Systems	12/31/09



COLUMBUS STATE COMMUNITY COLLEGE

Date _____

BOARD ACTION

SUBJECT:

Report of Independent Auditors on the financial statements for the year ended June 30, 2009.

BACKGROUND INFORMATION:

The college is required by law to have its financial statements audited by the State Auditor or his/her designee. The audit for the year ended June 30, 2009 was performed by Parms & Company, LLC, 585 South Front Street, Suite 220, Columbus, Ohio 43215. Copies of the auditor's reports have been distributed to The Board of Trustees and copies of selected pages, as referenced below, are attached. The following are included in the Independent Auditors' Report:

- INDEPENDENT AUDITORS' REPORT (pages 1-2) of the college which renders an unqualified opinion which states that in their opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discreetly presented component unit of the Columbus State Community College as of June 30, 2009 and 2008, and the respective results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.
- SCHEDULE OF FINDINGS AND QUESTIONED COSTS (pages 41-45) in which there were two findings (pages 42-44, Section II), but no questioned costs (page 45, Section III). The college's responses are included in this schedule.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (pages 37-38) in which the auditor disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. The auditor noted two deficiencies in internal control over financial reporting, but neither were considered to be material weaknesses.

BOARD ACTION
(Continued)

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (pages 39-40) in which they state Columbus State Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. The auditor further noted no deficiencies in internal control over compliance that were considered to be material weaknesses.

The auditors are submitting a management letter to The Board of Trustees that includes items for consideration. They do not believe that any of the items are material instances of noncompliance or reportable conditions, but believe that they represent opportunities for strengthening internal control and operating efficiency. Their comments and the college's responses are included in this letter.

RECOMMENDATION:

That the Board of Trustees accept, as presented, the Reports of the Independent Auditors as of June 30, 2009, for the College and the Foundation as prepared by Parns & Company, LLC.



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Columbus State Community College
Columbus, Ohio

We have audited the accompanying statements of net assets of Columbus State Community College (the College), a component unit of the State of Ohio, and its discretely presented component unit, as of June 30, 2009 and 2008, and the related statements of revenues, expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of the Columbus State Community College as of June 30, 2009 and 2008, and the respective results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* we have also issued our report dated October 15, 2009, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis presented on pages 3 through 5 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2009, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements of Columbus State Community College. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Farms & Company, LLC

October 15, 2009
Columbus, Ohio

**INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

Board of Trustees
Columbus State Community College

We have audited the financial statements of Columbus State Community College (the College), a component unit of the State of Ohio, as of and for the year ended June 30, 2009, and have issued our report thereon dated October 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the College's financial statements that is more than inconsequential will not be prevented or detected by the College's internal control. We consider the deficiencies described as 2009-1 and 2009-2 in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the College in a separate letter dated October 15, 2009.

The College's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the College's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the entity, federal awarding agencies and pass-through entities and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

Parms & Company, LLC

October 15, 2009
Columbus, Ohio

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Columbus State Community College

Compliance

We have audited the compliance of Columbus State Community College, a component unit of the State of Ohio, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Columbus State Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Columbus State Community College's management. Our responsibility is to express an opinion on Columbus State Community College's compliance based on our audit.

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

In our opinion, Columbus State Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

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

A *control deficiency* in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with the type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the use of the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Farms & Company, LLC

October 15, 2009
Columbus, Ohio

**COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009**

Section I. Summary of Auditor's Results

A. *Financial Statements:*

1. Type of auditor's report issued: UNQUALIFIED
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? Yes X No
 - b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? X Yes No
3. Noncompliance material to financial statements noted? Yes X No

B. *Federal Awards:*

1. Internal control over major programs:
 - a. Material weakness(es) identified? Yes X No
 - b. Significant deficiency(ies) identified that are Not considered to be material weakness(es)? Yes X No
2. Type of auditor's report issued on compliance for major programs: UNQUALIFIED
3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No
4. Identification of major programs by program name (CFDA Number(s)):
 - Student Financial Assistance Cluster (84.007, 84.032, 84.033, 84.375 and 84.063)
 - Workforce Investment Act Cluster (17.258, 17.259 and 17.260)
5. Dollar threshold used to distinguish between Type A and Type B programs: \$ 965,988
6. Auditee qualified as low-risk auditee? X Yes No

**COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009**

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2009-01

FINANCIAL STATEMENT ACCOUNT RECONCILIATIONS

Criteria

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the College's financial statements that is more than inconsequential will not be prevented or detected by the College's internal control.

Condition

There are several financial statement accounts for which account reconciliations were either not performed or were performed but corrective action was not taken on the reconciling items. As a consequence items requiring adjustment to the financial statement balances were not made on a timely basis.

Cause

Differences between general ledger balances and supporting subsidiary detail have not been consistently reviewed corrected on a timely basis. There have been some account reconciliations performed where differences were known but corrective action has not been taken. Other account reconciliation differences were only determined in conjunction with the audit process.

Effects

There were several accounts for which the subsidiary detail did not agree with the general ledger balances. The net effect of these reconciliation differences was \$258,226 in overstatement of net assets, which had a reported value of \$262,286.408 as of June 30, 2009. Although, there were individual differences where the reported general ledger balances were both overstated and understated.

Recommendation

We recommend corrective action be performed to ensure proper reconciliation procedures are performed and appropriate corrective action taken.

COLUMBUS STATE COMMUNITY COLLEGE
SECTION II - SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding 2009-01 (Continued)

Client Response

Management is in the process of restructuring several of the processes and personnel within the responsible areas of Business Services to appropriately prepare reconciliations in a timely manner and monitor the related follow-up and corrections. This restructuring will include some dedicated personnel for payroll and related accounts due to the significance of this activity to the overall financial statements. While reconciliations were not prepared in a timely manner, financial statements are reviewed in detail on a monthly basis by the Chief Financial Officer along with administrators in Business Services, and any significant or unexpected fluctuations from budget or prior periods are fully investigated and documented to insure understanding of variances. Appropriate corrections are made as necessary.

Finding 2009-02

STUDENT ACCOUNT RECORD ACCESS

Criteria

Effective internal control requires the proper design and implementation of accounting procedures to ensure transactions are properly initiated, authorized and recorded in accordance with management's intended purpose.

Condition

Several employees have access to a specific data entry function that allows unrestricted modification or input to student account records. We found certain employees within Business Services (Cashier's Office, Student Accounting, and Grants and Loans) and Public Safety departments have access to this system application.

Cause

The data entry function is necessary for inputting activity on students' accounts under particular circumstances, thus requiring access by staff to conduct such input. Staff access concurrently provides staff with the capability of overriding or altering records without authorization. We noted existing controls that informally limit use or require supervisory authorization for inputting data through the application. However, staff can execute an unauthorized change to a student account at any time, without supervisory knowledge or authorization.

**COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009**

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding 2009-02 (Continued)

Effects

The application function allows an individual to create charges and credits to student accounts which can override existing controls and change transactional records. There is also the possibility for individual to initiate improper transactions.

Recommendation

The College should have controls implemented, which limits or monitors use of overrides. We recommend that the College review and evaluate controls surrounding this matter to strengthen controls that may limit or monitor the override capabilities afforded by this data entry function

Client Response

Management will take appropriate steps to review and evaluate controls surrounding this matter. This evaluation will include consultation with Information Technology to determine if user activity logs can be produced if the system module has no other review or approval functionality available without adverse impact on the workflow or workload.

**COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009**

Section III. Federal Award Findings and Questioned Costs

No findings.

Management Letter

October 15, 2009

Board of Trustees
Columbus State Community College
Columbus, Ohio

We have audited the financial statements of Columbus State Community College (the College) for the year ended June 30, 2009, and have issued our report thereon dated October 15, 2009.

In planning and performing our audit of the financial statements of the College for the year ended June 30, 2009, we considered its internal control and compliance with certain provisions of laws, regulations, contracts and grant agreements in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

During our audit, we became aware of matters about which we would like to bring to your attention. Our comments are made to assist the management of the College in performing its oversight responsibility and represent opportunities for strengthening internal control and operating efficiency. Accordingly, our comments should not be considered a reflection on the integrity or abilities of any employee of the College. We welcome the opportunity to submit these comments to the Board of Trustees for your consideration. If desired, our engagement team is available to discuss these matters in further detail.

Sincerely,

PARMS & COMPANY, LLC

DATA PROCESSING SYSTEM

As part of our audit we reviewed the general controls related to the College's IT system. We found that the general controls in place should provide adequate controls and safeguards over the information systems utilized by the College as part of its financial statement reporting process. However, we believe certain procedures and documentation could be further enhanced. The following opportunities for improvement of the IT system were identified:

Modification Requests

Documentation supporting the request and approval of Datatel and other application modifications is not maintained. Additionally, the changes are not tested prior to being promoted into production by CSCC. The risk to the Datatel application is partially mitigated by the fact these changes are "packets" (referred to as "an instance") that can be easily backed-out. A new change management process is being developed. The web-based component should be placed in production during the second quarter. We recommend management ensure the test procedures performed, results of testing, and approvals are documented and maintained.

Management Response

The move of a pilot technology into production should receive the proper attention from departments/module custodians, in conjunction with the Office of Information Technology. The Data Center currently requires Datatel module owners to fill out and sign a change request form, including a section indicating the person who tested the module, what they have tested, and a signature field indicating they've done so. The form also includes dates indicating when everything takes place from form creation to testing to implementation. Currently, all change requests are in paper form and on file with Information Security. As of January 4, 2010, the Change Management program will move to an electronic submission and approval format. The Change Management Program has a web site which hosts a living scheduling calendar, program documentation, workflow, and the required request form. Since July 14, 2009, Columbus State's Information Technology department holds weekly change management meetings to discuss all change events impacting any area of the production environment no matter how small or large in nature. The change management program will provide proper advance notification of all events impacting technologies such as but not limited to email, network storage, Internet, Intranet, Blackboard, Cougar Web, printing, Colleague, telephones. With these processes, including the documentation in place, management believes that this is no longer an issue.

Dormant Network Accounts

We identified a number of dormant network accounts. Additionally, a number of accounts had not modified their passwords in 90 days. Per discussion with management, we noted this is due to the following: These are accounts of active employees who simply do not use direct network authenticated services on a frequent basis. They have an account because they are active employees but either have not used up five grace logins before a password change is forced or simply haven't accessed an application that would force that change. Starting July 10th, a new script will be run to automatically disable dormant accounts on a nightly basis. We recommend management perform a thorough review to ensure all network accounts are configured per the security policy.

Management Response

As the audit results noted above, the script began running on July 10, 2009. The results of the script are reviewed weekly by the Information Security department. Once a month, Information Security provides IT administrators and key Information Technology staff with a monthly briefing based upon key performance indicators relating to the security of CSCC's information technology infrastructure. In addition, there is a monthly meeting to discuss the current state of the security with the Vice President of Information Technology and directors. Metrics are provided that will immediately alert the directors if there are abnormal trends that need to be resolved. With these items in place, management believes that this is no longer an issue.

Access for Terminated Employee

One account of a terminated employee had not been disabled and the account had been accessed after the termination date. Additionally, user access request forms are not maintained, thus we could not verify access is appropriately authorized and granted based on the request. The risk is partially mitigated by the fact that access is granted based on the user's job function. We recommend management retain the access request forms until the quarterly access review is complete.

Management Response

There is a formal off-boarding process that exists. All account terminations are communicated via automated emails once Human Resources updates the former employee's status to terminated. A copy of these emails are sent to Information Security and archived for future auditing purposes. Concerning user access change requests, as discussed in the college response to the next item (Annual Review of System User Access), tools are being developed to allow the Datatel security team and campus management to review rights assigned and access granted.

Annual Review of System User Access

Management has not performed a review of system user access this fiscal year. We recommend management perform regular reviews over the network and critical applications and evidence of that review be maintained. A script has been created to pull the user information and a process for defining the owners of each area is being worked on currently. The review will be done quarterly upon implementation. This control should be in place by the end of July or early August.

Management Response

Management is in the process of completing a security dashboard which will pull key data from multiple sources, and tie pertinent information to an employee/user. In addition, real-time account alerts will be generated when a change is made to a user's account so that it is immediately flagged to the Datatel security team for review. This approach will also allow campus management to review the rights assigned to individuals on their team in order to identify where changes need to be made. Once this is complete, Management feels that this issue will also be resolved. While this technology is nearly complete, the Data Center is working with Human Resources in an effort to verify the current data before these tools are rolled out.

Physical Access to Data Center

We reviewed physical access to the main data center noting an excessive number of people have access to the data center and/or the critical systems cage within the data center (141 and 80, respectively). CSCC started a monthly review process in June and intend to review all physical access spaces in July. On July 9th, access to the critical systems cage was further restricted to 38 individuals.

Management Response

As of June 18, 2009, there is a documented process of how access is granted to IT spaces. This includes a primary and secondary approver. The approvers are required to review and either grant or deny access, before Public Safety grants the access. Information Security also is now asking for a monthly report from Public Safety showing who has access to key spaces. This report then becomes part of the monthly briefing (discussed previously) with Data Center Administration to review that report and make any necessary changes. Plans are also underway to provide the Data Center real-time access to the AMAG system used in Public Safety to get immediate alerts when anyone receives swipe card access to IT spaces and to identify those who access IT spaces after business hours. As noted, the number of people that have access has been cut down significantly. Management believes that this is no longer an issue.

COMPLIANCE

As part of our review of the College's compliance with certain provisions of laws, regulations, contracts and grant agreements, we performed tests of compliance with those provisions. We are providing non-material noncompliance comments for which management should consider corrective actions be implemented.

Student Financial Aid Over Awards

We noted two instances where the total award amount to a student exceeded their need based on the cost of attendance by \$562. In both cases, errors appear to have occurred due to awarding of additional aid (non-federal) to the student at a date subsequent to the initial federal financial aid packaging. When a re-award occurs, a financial aid officer must manually adjust aid packaged (typically loans) to appropriately account for additional assistance provided to the student. In the two instances noted, an employee did not make the appropriate manual adjustments to the students' file.

Based on our review of the circumstances resulting in the over award, we believe the errors to be isolated and not indicative of a systematic process. However, since the error did result in the College not complying with awarding limitations, we believe the College should review and implement additional safeguards to ensure over awarding does not occur. The College should consider whether additional review procedures should be implemented to catch any manual mistakes made in the re-awarding process.

Management Response

Both instances of over award occurred due to the late awarding of state grants (OCOG/OIG) by the same staff member. The awards were placed on the AIDE screen in Datatel Colleague manually after loan funds had been disbursed. The loan amounts should have been adjusted by the amount of the state grant in order to prevent the over award. This did not take place. The staff member involved in the over awards has been provided with additional training and guidance on the issue. In addition, CSCC students are no longer eligible for state grant programs, so this particular issue will not re-occur in the future.

Federal Supplemental Educational Opportunity Grant Minimum Award Limit

The Federal Supplemental Educational Opportunity Grant (FSEOG) specifies a minimum award level of \$100. We noted five instances of FSEOG awards of less than \$100 during fiscal year 2008-09. The College's system was allowing awards under \$100 in instances where 1) The student was manually awarded funds and 2) Where re-awards were completed due to additional grant funds becoming available after other students return of Title IV funds. We understand the College has taken action to rewrite rules in the system application to properly address these matters.

Management Response

The disbursement codes/rules for the award code for FSEOG were written in order to prevent an award of less than \$100 when the student's financial aid was awarded through Datatel's auto packaging feature. However, the rules were not written in a manner that prevented FSEOG awards of less than \$100 from being manually awarded, or when Return of Title IV calculations made additional funds available to be awarded. All five errors noted were made in one of these two methods. When made aware of the problem, the Financial Aid Office took steps to re-write these rules to prevent future occurrences of the error.

Return of Title IV

We noted several minor miscalculations in the College's return of Title IV refund determinations which resulted in the College calculating refunds due from three students \$590.63 higher than required. For the three students we noted the following errors:

There was one occurrence where the "Withdrawal Date" used was incorrect.

There were two occurrences where the Title IV refund calculation did not properly distribute the refund due between the student and the College. The calculation should have indicated that the student was responsible for a lower repayment and the College a higher repayment of Title IV funds in the amount of \$614.63.

One occurrence where the Title IV refund computed for the student should have indicated they were responsible \$24 more in repayment of Title IV funds.

We discussed these miscalculations with the Office of Student Financial Aid. It is our understanding that the Office of Student Financial Aid agreed with our assessment and sent notification to Department of Education to clear up the discrepancies.

We do not believe the errors represent a systemic problem with how the Title IV refunds are being processed, but appear to have been isolated instances which were not caught. We recommend that the Office of Student Financial Aid consider how these types of errors can be prevented and implement additional review or other control procedures to prevent them from occurring in the future.

Management Response

At the time of these errors, the staff member responsible for calculation of Title IV returns was new to the position. Since then, additional training, both in-house and at conferences, has been provided to prevent future occurrences.



COLUMBUS STATE COMMUNITY COLLEGE

Date _____

BOARD ACTION

SUBJECT:

Revised Fiscal Year 2010 Operating Budget

BACKGROUND INFORMATION:

In May 2009, the Board of Trustees approved the FY 2010 Operating Budget. Each January, the Board of Trustees reviews the operating budget in the context of enrollment, final state subsidy allocations as approved by the Ohio Board of Regents each November, and other activities that may impact the budget. A revised FY10 Operating Budget is attached.

General Fund (Exhibit A)

Total general fund revenues are projected to be \$147,108,481, or 9.1% more than anticipated due primarily to higher than budgeted enrollment in Summer, Autumn, and Winter quarters, and anticipated higher than budgeted enrollment in Spring Quarter. State subsidy has also been adjusted to reflect final subsidy calculations as approved by the Controlling Board in December 2009.

Total general fund operating expenditures and transfers are projected to be \$139,556,667 or 4.5% more than the budget adopted in May 2009. The largest increases in expenditures are related to enrollment growth and include the mid-year hiring of new faculty, enrollment advisors and an accountant approved by the Board of Trustees in November 2009, as well as additional adjuncts. Another significant increase related to enrollment is bad debt expense, which increases proportionally to growth in tuition revenue.

Auxiliary Fund (Exhibit B)

Total revenues for auxiliary enterprises are projected to be \$4,801,371, or 2.4% more than originally budgeted. This was primarily due to the enrollment growth and resulting additional sales in the Bookstore. The auxiliary fund is expected to balance within the revenues the enterprises are projected to generate.

RECOMMENDATION:

That the Board of Trustees approves the Revised FY 2010 operating budgets for the college's general fund programs (Exhibit A) and the auxiliary fund programs (Exhibit B).

**Columbus State Community College
Operational Budget Comparison
Proposed RFY010 Budget Compared to FY10 Budget**

Exhibit A

	(1) FY10 Budget	(2) RFY10 Proposed	(3) Difference	(4) Percent Increase/(Decrease)
Revenues				
Appropriations				
(a) Subsidy (1)	\$ 61,437,054	\$ 62,168,736	\$ 731,682	1.2%
(c) Access Challenge	-	-	-	0.0%
(c) Jobs Challenge	237,287	-	(237,287)	-100.0%
	<u>61,674,341</u>	<u>62,168,736</u>	494,395	0.8%
Student				
(d) Tuition (2)	67,221,286	78,583,740	11,362,454	16.9%
(e) Fees (3)	4,895,921	5,350,420	454,498	9.3%
(f) Special courses	600,000	500,000	(100,000)	-16.7%
	<u>72,717,207</u>	<u>84,434,160</u>	11,716,952	16.1%
Contracted Services				
(g) Net	255,585	255,585	-	0.0%
	<u>255,585</u>	<u>255,585</u>	-	0.0%
Other				
(h) Miscellaneous	250,000	250,000	-	0.0%
	<u>250,000</u>	<u>250,000</u>	-	0.0%
(i) Total Revenues	<u>134,897,133</u>	<u>147,108,481</u>	12,211,347	9.1%
Expenditures				
(j) Educational & General				
(k) (Instructional) (4)	73,404,313	79,202,176	5,797,863	7.9%
(l) Library	1,725,352	1,800,336	74,984	4.3%
(m) General (5)	10,629,986	11,393,334	763,348	7.2%
(n) Information Technology	11,898,767	12,176,666	277,899	2.3%
(o) Student Services	10,055,209	10,804,703	749,494	7.5%
(p) Operation and Maintenance of Plant	12,986,523	12,690,986	(295,536)	-2.3%
(q) Administration (6)	6,695,077	7,739,646	1,044,569	15.6%
(r) Additional Payroll Items	2,400,000	-	(2,400,000)	-100.0%
(s) Operational Expenses	<u>129,795,227</u>	<u>135,807,848</u>	6,012,621	4.6%
(t) Transfer for equip. and replacement	2,200,000	2,200,000	-	0.0%
(u) Transfer for debt service	1,548,819	1,548,819	-	0.0%
(v) Transfer for capital improvements				
(w) Total expenditures & transfers	<u>133,544,046</u>	<u>139,556,667</u>	6,012,621	4.5%
(x) Operational Revenues	<u>\$ 1,353,087</u>	<u>\$ 7,551,814</u>	\$ 6,198,726	458.1%

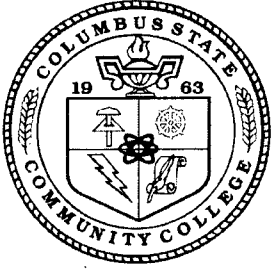
Notes

- (1) Subsidy as approved by the Controlling Board on Dec. 14, 2009.
- (2) Tuition revenue assumes actual Summer and Autumn enrollment, Winter comparable to Autumn, and projected 12.0% increase for Spring.
- (3) Fee revenue includes Lab Fee Income and other student based fees.
- (4) Proposed increase provides for 15 new faculty positions, 4 enrollment advisors, an accountant, and adjunct budget necessary to support enrollment.
- (5) General includes Planning & Construction, Human Resources, Print Shop, Office Services, Institutional Adv., KRP, Diversity & Inclusion, and Development Office.
- (6) Administration includes VP BAS, President's Office, & Business Office. Key expense increase is Bad Debt Expense proportionate to increase in tuition revenue.

Columbus State Community College
Auxiliary Services Fund Revised FY 2010 Budget

	FY10	FY10	Increase	Percent
<u>Revenues</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>(Decrease)</u>	<u>Change</u>
Bookstore	\$ 2,882,294	\$ 2,992,997	110,702	3.8%
Child Development Center	965,895	965,895	0	0.0%
Food Services	352,298	364,390	12,092	3.4%
Bridgeview	487,102	478,089	(9,013)	-1.9%
Total	4,687,589	4,801,371	113,781	2.4%
<u>Expenses</u>				
Bookstore	2,216,393	2,288,223	71,830	3.2%
Child Development Center	1,189,332	1,237,493	48,161	4.0%
Food Services	74,943	77,363	2,420	3.2%
Bridgeview	525,527	541,404	15,876	3.0%
Total	4,006,196	4,144,482	138,286	3.5%
<u>Net Income/(Loss)</u>				
Bookstore	665,901	704,774	38,873	5.8%
Child Development Center	(223,437)	(271,597)	(48,160)	21.6%
Food Services	277,354	287,027	9,672	3.5%
Bridgeview	(38,425)	(63,315)	(24,890)	64.8%
Total	681,393	656,888	(24,505)	-3.6%
<u>Miscellaneous</u>				
Administrative Office*	-	608,109	608,109	100.0%
Marketing	68,175	-	(68,175)	-100.0%
Administrative Salaries	499,150	-	(499,150)	-100.0%
Add'l Payroll Items	114,068	-	(114,068)	-100.0%
	681,393	608,109	(73,284)	-10.8%
Total Auxiliary Net Income	\$ 0	\$ 48,779	48,779	0.0%

* Administrative Office contains expenses related to overseeing all Auxiliary



COLUMBUS STATE COMMUNITY COLLEGE

Date _____

BOARD ACTION

SUBJECT:

Financial Statements as of and for the six months ended, December 31, 2009.

BACKGROUND INFORMATION:

Columbus State Community College policy requires that monthly the President provide each Board of Trustees member a copy of the college's financial statements.

RECOMMENDATION:

That the financial statements as of and for the six months ended, December 31, 2009, be accepted as presented.



550 East Spring Street
P.O. Box 1609
Columbus, Ohio 43216-1609
614/287-2400

TO: Board of Trustees
FROM: Dr. Val Moeller, President
DATE: January 12, 2010
SUBJECT: Financial Statements as of December 31, 2009

Attached are the financial statements of Columbus State Community College, the Foundation, and the President's Discretionary Fund for the period ended December 31, 2009.

1. **General Fund**

• **Enrollment**

<u>Quarter</u>	<u>Budgeted Headcount</u>	<u>Headcount</u>	<u>Increase/ Decrease</u>	<u>FY 09 FTEs</u>	<u>FY 10 FTEs</u>	<u>% Variance</u>
Summer 2009	14,265	16,845	18.1%	7,859	9,532	21.3%
Autumn 2009*	24,482	28,309	15.6%	16,065	18,957	18.0%
Winter 2010						
Spring 2010						

*Preliminary headcounts and FTEs

• **Revenues** (Exhibit B)

Total operating revenues through December 2009 are \$67,917,963, 10.2% higher than the same period last year. The difference in the two years is primarily due to increased tuition and fee revenue as a result of higher enrollment. Projected year-end numbers reflect the proposed revised FY 10 budget, which includes increased projected enrollment and the related tuition and fee revenues. Projected year-end numbers also include a slight increase in overall state support based on the final FY 2010 campus allocations for State Share of Instruction as approved by the Controlling Board on December 14, 2009.

Through the first week of Winter quarter 2010 classes, preliminary headcount is 16.5% over Winter quarter 2009, and could equal or surpass Autumn quarter 2009 headcount.

• **Expenditures** (Exhibit B)

Total operating expenditures (before transfers) are \$58,891,384 for the period, or 7.1% higher than the same period last year. Projected year-end numbers reflect the proposed revised FY 10 budget, which provides for new faculty and advisor positions as well as an increased adjunct budget necessary to support the increase in enrollment.

2. **Auxiliary Fund** (Exhibit D)

The Auxiliary fund realized a 5.6% operating gain over last year which continues to be attributed to the college's enrollment growth compared to last year, resulting in higher textbook sales for the Bookstore. CDC revenues have remained comparable to last year despite the loss of a funding source, Early Learning Initiative. Bridgeview revenues through December 31 increased over 13% compared to the same period last year, a result of excellent weather, enhanced marketing, and stronger management.

Auxiliary fund expenditures are higher this year by 9% compared to last year due in large part to the alignment of expenses that occurred at mid-year last year and to an increase in staffing levels required for autumn quarter rush. In a continuing effort to consistently reflect operational results, Auxiliary Administration expenses are now reported as a separate line. These costs were previously reported as Bookstore expenses although they support all Auxiliary operations.

3. **President's Discretionary Fund** (Exhibit F)

The President's Discretionary Fund has a cash balance of \$13,803 at December 31, after disbursements of \$6,197.

4. **Foundation** (Exhibits G and H)

Foundation contributions are \$286,689 compared to \$538,460 through December of last year. Investments continue to maintain the gains from the past few months compared to the significant losses incurred at this time last year. Expenditures through December are \$226,101 compared to \$419,187 last year. Both the revenues and expenditures were higher last year due to a grant that was received in the foundation that was transferred to the college to be administered.

5. **Investments**

The College's portfolio is invested consistent with its investment policy, with 41.2% currently invested in STAROhio and other money markets, with the balance in federal agencies.

EXHIBIT A
COLUMBUS STATE COMMUNITY COLLEGE
BALANCE SHEET AT DECEMBER 31, 2009
With Comparative Figures at December 31, 2008

Assets	December 31, 2009	December 31, 2008	Liabilities and Fund Balance	December 31, 2009	December 31, 2008
Current Funds			Current Funds		
Unrestricted			Unrestricted		
Educational and general			Educational and general		
Cash	\$ 6,946,845	\$ 27,834,581	Accounts payable	\$ 18,567,908	\$ 4,424,819
Investments (including money markets at cost and treasury bills and agency discount notes at market - (note 1))	149,586,264	106,304,385	Deferred income	23,653,197	18,544,239
Accounts receivable, net of allowance for doubtful accounts	10,272,948	939,005	Student tuition	1,063,335	1,058,441
Interest receivable	-	-	Lab fees and credit bank	-	-
Prepaid expense	285,892	224,589	Due to restricted funds	10,419,621	8,765,895
Net investment in Golf Course	-	-	Due to plant funds	-	1,271
Due from agency funds	310,011	-	Due to agency funds	77,663,089	67,912,065
Due from auxiliary funds	91,771	101,759	Fund balances (Exhibit C):		
Total educational & general	\$ 167,493,731	\$ 135,404,319	Allocated	36,126,580	34,997,589
			Unallocated	113,789,670	102,609,654
			Total fund balances	\$ 167,493,731	\$ 135,404,319
			Total educational & general		
Auxiliary enterprise			Auxiliary enterprise		
Cash	\$ 1,631,448	\$ 819,226	Accounts payable	\$ 2,200,419	\$ 638,883
Investments	6,178,751	5,836,477	Due to educational & general fund	411,249	101,759
Accounts receivable	381,706	647,732			
Inventories, at cost as defined (note 2)	3,121,953	1,669,679	Fund balances (Exhibit D):		
Other Assets	294,438	339,057	Allocated	250,000	250,000
Due from general fund	-	-	Unallocated	9,038,984	8,462,861
Due from grant funds	292,357	141,332	Total fund balances	9,288,984	8,712,861
Total auxiliary enterprise	11,900,653	9,453,503	Total auxiliary enterprise	11,900,653	9,453,503
Total unrestricted	\$ 179,394,384	\$ 144,857,822	Total unrestricted	\$ 179,394,384	\$ 144,857,822
Restricted			Restricted		
Cash	\$ -	\$ -	Due to general fund	\$ -	\$ -
Due from educational & general fund	-	-	Fund balances	-	-
Total restricted	-	-	Unallocated	-	-
Total current funds	\$ 179,394,384	\$ 144,857,822	Total restricted	-	-
	[A]	[B]	Total current funds	\$ 179,394,384	\$ 144,857,822
				[C]	[D]

(See accompanying summary of significant accounting policies and notes to financial statements)

(Continued)

COLUMBUS STATE COMMUNITY COLLEGE
EXHIBIT A
BALANCE SHEET AT DECEMBER 31, 2009
(Continued)
With Comparative Figures at December 31, 2008

	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
Assets				
Plant funds				
Unexpended				(1)
State appropriations receivable	-	-		(2)
Capital Improvement Fund	1,802,990	1,477,225	\$ 1,802,990	(3)
Total unexpended	1,802,990	1,477,225	1,802,990	(4)
Cash from Bond Proceeds	41,426	149,410		(5)
Deposit with trustees	-	2,908		(6)
Due from general fund	10,419,621	8,765,895		(7)
Land	29,235,190	29,674,722		(8)
Improvements other than buildings	6,866,985	6,338,835		(9)
Buildings	123,870,034	117,238,951		(10)
Movable equipment, furniture and library books	44,473,333	42,296,124		(11)
Construction-in-progress	12,156,580	1,415,455		(12)
Other Assets	265,716	286,299		(13)
Less: accumulated depreciation	(62,799,451)	(57,915,687)		(14)
Total investment in plant	164,529,435	148,252,912		(15)
Total plant funds	166,332,425	149,730,137	\$ 166,332,425	(16)
Agency funds				(17)
Cash	-	-		(18)
Due from agencies	373,856	281,628		(19)
Due from general fund	-	1,271		(20)
Total agency funds	373,856	282,999	\$ 373,856	(21)
	[A]	[B]	[C]	(22)
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				(100)

(See accompanying summary of significant accounting policies and notes to financial statements)

EXHIBIT B

COLUMBUS STATE COMMUNITY COLLEGE
OPERATIONAL BUDGET COMPARISON
FOR THE SIX MONTHS ENDED DECEMBER 31, 2009
With Comparative Figures at December 31, 2008

	FY 10		FY 09		FY 10 Projected Year End			
	Budget as approved May, 2009	Expended to Date (Actual & Encumbrances)	% of Budget Expended to Date	Revised Budget as approved January, 2009	Expended to Date (Actual & Encumbrances)	% of Budget Expended to Date		Projected FY 10 Year End Budget
Revenues								
Appropriations								
Subsidy	\$ 61,437,054	\$ 26,234,345	42.70%	\$ 52,981,736	\$ 26,297,136	49.63%	\$ 52,344,287	85.20%
SSI - Stimulus	-	4,465,655	-	-	-	-	9,824,449	0.00%
Access Challenge	237,287	-	0.00%	6,202,382	3,345,084	53.93%	-	-
Jobs Challenge	61,674,341	30,700,000	49.78%	59,421,405	29,749,751	45.32%	62,168,736	0.00%
Student								
Tuition	67,221,286	33,951,310	50.51%	67,061,018	29,083,782	43.37%	76,583,740	116.90%
Fees	4,895,921	2,748,842	56.15%	4,529,209	2,279,321	50.32%	5,350,420	109.28%
Special courses	600,000	382,588	63.76%	600,000	412,841	68.81%	500,000	83.33%
Contracted Services	72,717,207	37,082,721	51.00%	72,190,227	31,775,944	44.02%	84,434,160	116.11%
Net	255,585	69,448	27.17%	255,585	57,611	22.54%	255,585	100.00%
Total	255,585	69,448	27.17%	255,585	57,611	22.54%	255,585	100.00%
Miscellaneous	250,000	65,795	26.32%	250,000	56,654	22.66%	250,000	100.00%
Total revenues	134,897,133	67,917,963	50.35%	132,117,217	61,639,960	46.68%	147,108,481	109.05%
Operating Expenditures								
Educational & general (Instructional)	74,782,143	33,150,233	44.33%	69,238,352	30,721,524	44.37%	79,202,176	105.91%
ERC	1,765,866	886,004	50.17%	1,726,302	874,006	50.63%	1,800,336	101.95%
General	10,830,244	4,811,216	44.42%	10,785,558	4,656,524	43.17%	11,393,334	105.20%
Information Technology	12,113,053	5,954,595	49.16%	10,425,696	5,210,926	49.98%	12,176,666	100.53%
Student Services	10,257,024	4,936,947	48.13%	10,059,852	4,709,993	46.82%	10,804,703	105.34%
Operation and maintenance of plant	13,388,125	5,544,892	41.42%	12,707,221	5,438,961	42.80%	12,690,886	94.79%
Administration	6,658,773	2,833,087	42.55%	6,743,806	2,569,729	38.11%	7,739,646	116.23%
Transfer for debt service	1,548,818	774,410	50.00%	1,548,818	774,410	50.00%	1,548,818	100.00%
Total expenditures	131,344,046	58,891,384	44.84%	123,235,605	54,956,073	44.59%	137,356,666	104.58%
Non-operating & Encumbered								
Transfer for equipment and replacement	2,200,000	-	-	3,400,000	-	-	2,200,000	100.00%
Transfer for capital improvements	-	-	-	-	-	-	-	N/A
Transfer for scholarships	-	-	-	3,500,000	-	-	-	-
Total expenditures and transfers	133,544,046	58,891,384	44.10%	130,135,605	54,956,072	42.23%	139,556,666	104.50%
Operational revenues	1,353,087	9,026,580	N/A	1,981,912	6,683,889	N/A	7,551,814	N/A
Interest Income								
Total revenues	\$ 1,353,087	\$ 9,462,545	699.33%	\$ 1,981,912	\$ 9,340,229	471.34%	\$ 766,272	N/A
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]

EXHIBIT C

**COLUMBUS STATE COMMUNITY COLLEGE
STATEMENT OF CHANGES IN FUND BALANCES OF CURRENT
EDUCATIONAL AND GENERAL FUNDS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2009**

	Balance at June 30, 2009	Net Increase for Current Period	Board Approved Additions	Transfers	Expenditures	Balance at December 31, 2009
Unrestricted Allocated						
Capital Improvements & Land Acquisition	\$ 12,071,024	\$ -	-	(150,000)	\$ -	11,921,024 (1)
Carpet/Furniture Reupholstering	79,840	-	-	-	(28,292)	51,548 (2)
Bolton Field Site Analysis	33,883	-	-	-	-	33,883 (3)
Utility Mapping	12,912	-	-	-	-	12,912 (4)
HVAC Replacement/Switch Room	2,509	-	-	-	-	2,509 (5)
Eibling Hall Renovations (CCPC) and Lobby	23,082	-	-	-	-	23,082 (6)
Davidson Hall 229,230	12,091	-	-	-	-	12,091 (7)
Space Efficiency Upgrades	4,790,318	-	-	-	(53,672)	4,736,646 (8)
Delaware Site Planning	64,824	-	-	-	-	64,824 (9)
Wayfinding Services	81,824	-	-	-	(545)	43,417 (10)
Project Planning	461,925	-	-	150,000	(6,483)	225,341 (11)
Renovate Union Hall Ground for PC Support	6,505,117	-	-	-	-	461,925 (12)
Union Hall Renovation	4,154,180	-	-	-	(191,187)	6,313,930 (13)
Site Development Delaware Campus	297,469	-	-	-	(714,357)	3,439,823 (14)
Bookstore/DX Modifications	164,612	-	-	-	-	297,469 (15)
Facilities Infrastructure Improvements	120,757	-	-	-	(22,103)	142,509 (16)
Delaware Hall Renovation	4,461,671	-	2,200,000	-	(103,079)	17,678 (17)
Capital Equipment	333,088	-	-	-	(494,230)	6,167,441 (18)
Target 2002	63,252	-	-	-	-	333,088 (19)
Collective Bargaining	14,400,000	-	-	-	-	63,252 (20)
Budget/Tuition Stabilization	1,595,670	-	-	-	-	14,400,000 (21)
Early Retirement Payback	1,038,082	-	-	428,125	-	1,595,670 (22)
Accumulated Lab Fees	293,354	-	-	-	-	1,466,207 (23)
Broadbanding	5,958,176	-	-	-	(19,749)	273,605 (24)
Think Again Scholarship	5,000,000	-	-	-	(1,361,931)	4,596,245 (25)
Teaching and Learning Initiatives	2,500,000	-	-	-	(12,003)	4,987,997 (26)
Strategic Growth Initiatives	2,500,000	-	-	-	-	2,500,000 (27)
Technology Initiatives	500,000	-	-	-	(122,544)	2,377,456 (28)
Human Capacity Development/Wellness	1,369,001	-	-	-	(49,840)	450,160 (29)
Campus Safety Initiatives	3,957,048	-	-	-	(113,975)	1,255,026 (30)
Energy Efficiency/Sustainability Initiatives	2,500,000	-	-	-	(98,804)	3,858,244 (31)
Delaware Campus Operations	1,500,000	-	-	-	(29,637)	2,470,363 (32)
Health Care Self-Insurance Escrow	1,295,259	-	-	-	(8,901)	1,491,099 (33)
Health Care HSA Incentive	-	-	182,500	-	(151,132)	1,144,127 (34)
Self-Insured Workers Compensation Benefits PERFORMS	250,000	-	-	-	-	182,500 (35)
Unallocated	78,434,930	-	2,382,500	428,125	(3,582,466)	250,000 (36)
Total General Fund	28,049,617	7,305,122	(2,382,500)	(428,125)	3,582,466	77,663,089 (37)
	106,484,547	7,305,122	-	-	-	36,126,580 (38)
	[A]	[B]	[C]	[D]	[E]	113,789,670 (39)
						[F] (40)

EXHIBIT C-1

COLUMBUS STATE COMMUNITY COLLEGE
BOND FUNDED PROJECTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2009

	Bond Proceed Allocation	Proceeds Budget	Prior Budget Reallocations	Budget Reallocation 2010	Proceeds Expended to Date	Bond Proceeds Encumbered	Available to Spend	
	(\$)	(\$)	** (\$)	*** (\$)	(\$)	(\$)	(\$)	(1)-(22)
Refunding 1993 Bonds	3,445,000	3,445,000	706,227	3,408	3,445,000	-	-	(1)
Bookstore Facilities	7,000,000	7,000,000	-	-	7,709,635	-	-	(2)
Aquinas Hall*	3,400,000	1,631,673	(88,521)	588	1,543,740	-	-	(3)
366/370 N. Grant*		1,760,304	(51,066)	-	1,709,238	-	-	(4)
Unallocated		8,022	(8,022)	-	-	-	-	(5)
Child Development Center	3,000,000	3,000,000	(891,666)	-	2,000,210	-	108,124	(6)
Columbus Campus Facility Projects								(7)
356 N. Grant			158,931	-	149,978	-	8,953	(8)
Madison Hall			62,913	6,076	68,989	-	-	(9)
Rhodes Hall			27,979	-	27,979	-	-	(10)
Franklin Hall Suite Efficiencies			80,950	2,800	83,750	-	-	(11)
Planning			100,000	409	100,409	-	-	(12)
TRIO			67,500	-	67,932	-	(432)	(13)
Student Life/Judicial			48,000	500	43,535	-	4,965	(14)
K-12 Move			20,000	-	-	-	20,000	(15)
Cisco Lab			65,000	-	48,711	-	16,289	(16)
339 Cleveland Avenue			55,000	-	32,985	-	22,015	(17)
Automotive Flooring			-	140,000	110,222	-	29,778	(18)
Issuance Costs	315,000	315,000	(55,830)	27,797	286,967	-	-	(19)
Interest Income	-	-	(297,395)	(181,578)	-	-	-	(20)
Total	\$ 17,160,000	\$ 17,160,000	\$ (297,395)	\$ (181,578)	\$ 17,429,282	\$ -	\$ 9,489	(21)
							\$ 219,179	(22)

* These two projects were funded from both the General Fund and the Bond Proceeds.

** As approved by the Board of Trustees on January 26, 2006, available balances in projects funded by the 2003 bond proceeds were reallocated to the Bookstore/Retail Complex.

***As approved by the Board of Trustees on September 28, 2006, certain Columbus Campus Facility Projects may be funded by unspent balances from 2003 bond proceeds.

EXHIBIT D

COLUMBUS STATE COMMUNITY COLLEGE
 OPERATIONAL BUDGET COMPARISON FOR AUXILIARY SERVICES
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2009
 With Comparative Figures at December 31, 2008

	FY 10			FY 09			Projected FY 10 Year End Budget	Projected % of Budget
	Revised Budget as approved May 2009	Actual to Date	Budget Expended to Date	Revised Budget as approved January 2009	Actual to Date	% of Budget Expended to Date		
Auxiliary								
Sales/Revenues								
Bookstore	\$ 11,703,591	\$ 6,191,374	52.90%	10,909,020	\$ 5,132,524	47.05%	12,743,992	108.89% (1)
Child Development Center	965,895	452,258	46.82%	957,608	440,448	45.99%	965,895	100.00% (2)
Food Services	352,298	198,935	56.47%	342,412	205,230	59.94%	364,390	103.43% (3)
Bridgeview	531,656	233,034	43.83%	482,218	205,778	42.67%	502,301	94.48% (4)
Total Revenues before Grant Activity	13,553,440	7,075,601	52.21%	12,681,256	5,983,980	47.15%	14,576,578	107.55% (5)
Cost of Goods Sold								
Bookstore	8,821,296	4,730,452	53.63%	8,207,686	3,799,832	46.30%	9,750,995	110.54% (6)
Bridgeview	44,554	11,348	25.47%	35,118	34,281	97.62%	24,213	54.35% (7)
Gross Margin	4,687,590	2,333,801	49.79%	4,448,454	2,149,867	48.33%	4,801,370	102.43% (8)
Operating Expenses								
Bookstore	2,813,957	919,333	32.67%	2,705,956	898,553	33.21%	2,288,223	81.32% (9)
Child Development Center	1,232,843	550,945	44.69%	1,129,847	537,082	47.54%	1,237,493	100.38% (10)
Food Services	81,367	35,051	43.08%	74,130	33,289	44.92%	77,363	95.08% (11)
Bridgeview	559,423	235,828	42.16%	504,385	222,943	44.20%	541,404	96.78% (12)
Auxiliary Administration	-	265,892	0.00%	-	148,705	0.00%	608,109	0.00% (13)
Total Expenses before Grant Activity	4,687,590	2,007,049	42.82%	4,414,318	1,840,582	41.70%	4,752,592	101.39% (14)
Auxiliary Net Operating Income/(Loss)	-	326,752	-	34,136	309,285	906.04%	48,778	- (15)
Grant Income	-	30,588	0.00%	-	26,541	-	-	0.00% (16)
Grant Expense	-	30,588	0.00%	-	26,541	-	-	0.00% (17)
Net Grant Income/(Loss)	-	-	-	-	-	-	-	- (18)
Net Income/(Loss)								
Bookstore	68,338	541,589	792.52%	(4,622)	434,139	-9392.88%	704,774	1031.31% (19)
CDC	(266,948)	(98,687)	36.97%	(172,239)	(96,634)	56.10%	(271,598)	101.74% (20)
Food Services	270,931	163,884	60.49%	268,282	171,931	64.09%	287,027	105.94% (21)
Bridgeview	(72,321)	(14,142)	19.55%	(67,285)	(51,446)	89.81%	(63,316)	87.55% (22)
Auxiliary Administration	-	(265,892)	-	-	(148,705)	0.00%	(608,109)	0.00% (23)
Net Auxiliary Income/(Loss)	-	326,752	-	34,136	309,285	906.04%	48,778	- (24)
Auxiliary Fund Balance at June 30, 2009		8,966,443			8,403,576			
Board Approved Improvements		(4,211)			-			
Transfers								
Auxiliary Fund Balance at December 31, 2009	\$	9,288,984		(A)	8,712,861	(B)	(C)	(D)
								(E)
								(F)
								(G)
								(H)

NOTES: Grant income is separately identified for a holistic view of CDC's financial picture. It is accounted for as a project account and not part of the Auxiliary Fund.

EXHIBIT E

**COLUMBUS STATE COMMUNITY COLLEGE
CASH FLOW FORECAST
AS OF DECEMBER 31, 2009**

	Actual July 2009	Actual August 2009	Actual September 2009	Actual October 2009	Actual November 2009	Actual December 2009	
Beginning Cash	\$ 4,802,008	3,604,487	3,211,006	8,772,663	3,412,653	1,913,453	(1)
Cash Receipts	6,154,853	7,764,743	39,660,871	2,353,994	6,273,113	42,757,209	(2)
Cash Disbursements	(12,352,374)	(11,158,224)	(12,599,214)	(17,714,004)	(11,772,313)	(14,123,928)	(3)
Outflow for investments	-	-	(27,500,000)	-	-	(30,000,000)	(4)
Inflow from investments	5,000,000	3,000,000	6,000,000	10,000,000	4,000,000	5,000,000	(5)
Ending Cash	\$ 3,604,487	3,211,006	8,772,663	3,412,653	1,913,453	5,546,734	(6)

	Forecasted January 2010	Forecasted February 2010	Forecasted March 2010	Forecasted April 2010	Forecasted May 2010	Forecasted June 2010	
Beginning Cash	\$ 5,546,734	1,557,986	2,369,238	4,380,490	2,391,742	3,002,994	(7)
Cash Receipts	1,411,252	7,211,252	32,411,252	3,411,252	8,011,252	12,411,252	(8)
Cash Disbursements	(18,400,000)	(13,400,000)	(12,400,000)	(17,400,000)	(12,400,000)	(15,400,000)	(9)
Outflow for investments	-	-	(18,000,000)	-	-	-	(10)
Inflow from investments	13,000,000	7,000,000	-	12,000,000	5,000,000	4,000,000	(11)
Ending Cash	\$ 1,557,986	2,369,238	4,380,490	2,391,742	3,002,994	4,014,246	(12)

**COLUMBUS STATE COMMUNITY COLLEGE
PRESIDENT'S DISCRETIONARY FUND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2009**

EXHIBIT F

Cash at Beginning of Period		\$ <u>2,570</u>	(1)
			(2)
<u>Receipts:</u>			(3)
			(4)
Deposit	17,430	17,430	(5)
			(6)
			(7)
<u>Disbursements:</u>			(8)
Business First	50		(9)
Choices	1,000		(10)
Columbus Housing Parnership	200		(11)
Columbus International Program	200		(12)
Columbus Metropolitan Library	1,000		(13)
Discovery Exchange	320		(14)
Flowers	666		(15)
Goodwill Columbus	150		(16)
House of Hope, Inc.	450		(17)
Southeast, Inc.	270		(18)
Tech Columbus	516		(19)
The Gathering	1,250		(20)
Thurber House	125		(21)
		<u>6,197</u>	(22)
		<u>\$ 13,803</u>	(23)
	[A]	[B]	[C]

NOTE:

The President's Discretionary fund is a separate fund from the operating and capital funds of the college. The source of funds is from other-than-public (governmental) monies or student fees, as specified by the Board of Trustees.

The purpose of the fund is to enhance the mission of the college. Expenditures are to promote or enhance the image of the college, the college educational programs, operations, entertainment contribution, etc. and other appropriate expenditures not provided for in the college operating budget.

**COLUMBUS STATE COMMUNITY COLLEGE DEVELOPMENT FOUNDATION, INC.
BALANCE SHEET AT DECEMBER 31, 2009
With Comparative Figures at December 31, 2008**

<u>Assets</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>	
Cash	\$ 844,004	\$ 551,280	(1)
Investments at market value (see note)	4,087,383	3,321,802	(2)
Pledges Receivable	200,734	546,817	(3)
Other Assets	-		(4)
Student Emergency Loans restricted - Net	<u>1,297</u>	<u>1,297</u>	(5)
Total Assets	\$ <u>5,133,418</u>	\$ <u>4,421,196</u>	(6)
			(7)
 <u>Liabilities</u>			
Due to general fund	\$ 127,353	\$ 123,945	(8)
Pledge Payable	40,000	73,319	(9)
Trade Payables	-	143,248	(10)
Total Liabilities	<u>167,353</u>	<u>340,512</u>	(11)
 <u>Fund balance</u>			
Permanently Restricted	3,363,340	3,205,249	(12)
Temporarily Restricted	1,782,306	1,712,195	(13)
Unrestricted	<u>(179,581)</u>	<u>(836,760)</u>	(14)
			(15)
Total fund balance	<u>4,966,065</u>	<u>4,080,684</u>	(16)
			(17)
Total Liabilities and fund balance	\$ <u>5,133,418</u>	\$ <u>4,421,196</u>	(18)
	[A]	[B]	(19)
			(20)

Note: Investments

Investments are valued at market, which is generally determined by use of published market quotations. Realized gains and losses from sale or redemption of investments are based upon the cost of the specific investment sold or redeemed. Purchases and sales of investments are reflected on a trade-date basis. A summary of investments is as follows:

	<u>Cost</u>	<u>Market</u>	<u>Percent of Portfolio</u>
Cash	\$ 100,365	100,365	2.46%
Equities	2,081,135	2,222,018	54.36%
Fixed Income	458,159	521,477	12.76%
Mutual Funds	<u>1,173,993</u>	<u>1,243,523</u>	<u>30.42%</u>
Total Investments	\$ <u>3,813,652</u>	\$ <u>4,087,383</u>	<u>100.00%</u>

EXHIBIT H

**COLUMBUS STATE COMMUNITY COLLEGE DEVELOPMENT FOUNDATION, INC
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2009**

	December 31, 2009			December 31, 2008	Total All Funds	
	Unrestricted	Temporarily Restricted	Permanently Restricted			
Revenue						
Contributions for Columbus State	\$ 92,608	\$ 152,981	\$ 39,950	\$ 395,212	(1)	
Investment Income	-	1,150	-	143,248	(2)	
Realized	122,179	22,747	-	(332,179)	(3)	
Unrealized	349,585	49,878	-	(529,446)	(4)	
Investment income-subtotal	471,764	72,625	-	(861,625)	(5)	
Total revenues	564,372	226,756	39,950	(323,165)	(6)	
Expenditures					(7)	
Scholarships	-	130,616	-	189,379	(8)	
Contributions to Columbus State	-	1,150	-	143,248	(9)	
Management and general	94,335	-	-	86,560	(10)	
Total expenditures	94,335	131,766	-	419,187	(11)	
Excess (deficit) of revenues over expenditures	470,037	94,990	39,950	(742,352)	(12)	
Transfers	-	(19,260)	19,260	-	(13)	
Fund balance at beginning of period	(649,618)	1,706,576	3,304,130	4,823,036	(14)	
Fund balance at end of period	(179,581)	1,782,306	3,363,340	4,080,684	(15)	
	[A]	[B]	[C]	[D]	[F]	

**COLUMBUS STATE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2009**

1) **Investments**

<u>Investment Fund</u>	<u>Cost</u>	<u>Market Value</u>	<u>Yield to Maturity*</u>	<u>Average Maturity (days)</u>
STAR Ohio/Operating	\$ 61,585,316	\$ 61,585,316	0.10%	1
STAR Ohio/Plant	1,802,990	1,802,990	0.10%	1
STAR Ohio/Auxiliary	533,967	533,967	0.10%	1
CSCC Operating Fund 1	49,170,493	49,252,549	0.67%	108
CSCC Operating Fund 2	33,273,199	33,595,812	2.24%	602
Bond Proceeds	477,938	478,514	0.65%	160
Auxiliary Services	5,572,721	5,665,635	2.54%	355
Plant Fund	4,631,873	4,674,073	2.50%	338
	<u>\$ 157,048,497</u>	<u>\$ 157,588,855</u>		

* Weighted

<u>Portfolio Composition</u>	<u>Type</u>	<u>% of Total</u>
	STAR Ohio	40.56%
	Agencies	58.79%
	Cash & Equivalents	0.65%
		<u>100.00%</u>

2) **Inventories**

Bookstore inventories at year-end are stated at actual cost. At or near year-end a complete physical inventory is taken and adjustments, if any, are recorded.

3) **Plant Funds**

Physical plant and equipment are stated at cost at date of acquisition or fair value at date of donation in case of gifts. Depreciation of physical plant and equipment is recorded.

4) **Long-term debt**

Long-term debt consists of bonds payable in annual installments varying from \$545,000 to \$1,120,000 with interest at rates varying from 2.00% to 4.50%, the final installment being due in 2023, collateralized by a gross pledge basis, of the general receipts of the college, which include the full of every type and character of receipts, excepting only those specifically excluded which are primarily those that are appropriated from the State of Ohio.

Debt service for this long-term debt is paid from an annual allocation in the College's Operating fund, the Auxiliary Services fund, and from the State's Capital Component Program.

5) **Interfund Accounts**

All interfund borrowings have been made from current funds and amounts are due currently without interest.

COLUMBUS STATE COMMUNITY COLLEGE

**BOARD OF TRUSTEES
2010 Meeting Dates**

BOARD OF TRUSTEES MEETINGS

<u>Date</u>	<u>Time</u>	<u>Dinner</u>
Thursday, January 28, 2010	6:00 p.m.	5:15 p.m.
Thursday, March 25, 2010	6:00 p.m.	5:15 p.m.
Thursday, May 27, 2010	6:00 p.m.	5:15 p.m.
Thursday, July 22, 2010	6:00 p.m.	5:15 p.m.
Thursday, September 23, 2010	6:00 p.m.	5:15 p.m.
Thursday, November 18, 2010*	6:00 p.m.	5:15 p.m.
Thursday, January 27, 2011	6:00 p.m.	5:15 p.m.

(Fourth Thursday of odd-numbered months only. Other meetings may be called according to need.)

**Adjusted due to conflict.*

SCHEDULE OF COMMITTEE MEETING DATES

(Odd-numbered months only.)

Committee of the Whole - Third Thursday - 12:00 noon
(Except when adjusted due to conflicts.)

Committee of the Whole

January 21, 2010

March 18, 2010

May 20, 2010

July 15, 2010

September 16, 2010

November 10, 2010*

January 20, 2011

**Adjusted due to conflict.*

All meetings of the Board of Trustees are held in the Pete Grimes Board Room located in Franklin Hall.
