

COLUMBUS STATE

COMMUNITY COLLEGE



COPY TO ALL BOARD MEMBERS

Douglas Rellick, Ex Officio Staff Member

Kevin James, Ex Officio Faculty Member

Matthew Schultz, Ex Officio Student Member

**BOARD OF TRUSTEES
COMMITTEE OF THE WHOLE**

Thursday, January 15, 2015

12:30 p.m.

Pete Grimes Board Room, Franklin Hall

AGENDA

Page

- (1) Call to Order
- (2) Roll Call
- (3) Certification of Conformity with Section 12.22(F) of the Ohio Revised Code
- (4) Approval of Minutes
- (5) Report of Independent Auditors on the Financial Statements for the Year Ended June 30, 20141
- (6) Revised Fiscal Year 2015 Operating Budget.....17
- (7) Financial Statements as of, and for the Twelve Months Ended December 31, 201421
- (8) Joint Resolution – Columbus City School District Board of Education.....34
- (9) Personnel Information Items (Information Only)37
- (10) Executive Session (*if needed*)

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DAVID T. HARRISON Ph.D. **PRESIDENT**



COLUMBUS STATE COMMUNITY COLLEGE BOARD ACTION

Date _____

SUBJECT:

Report of Independent Auditors on the Financial Statements for the Year Ended June 30, 2014

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, 2014 was performed by Parns & 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 AUDITOR'S REPORT (pages 1-3) of the college which renders an unmodified opinion stating that the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Columbus State Community College, as of June 30, 2014 and 2013, and the respective changes in financial position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.
- INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (pages 45-46) in which the auditor disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or deficiencies in internal control that were considered to be material weaknesses.
- INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 (pages 47-48) in which they state Columbus State Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. The auditor further noted no deficiencies in internal control over compliance that were considered to be material weaknesses.
- SCHEDULE OF FINDINGS AND QUESTIONED COSTS (pages 49-50) in which there were no findings (page 49, Section I.B3, and page 50, Sections II and III), and no questioned costs (page 50, Section III).

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, 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, 2014, for the College and the Foundation as prepared by Parns & Company, LLC.

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Columbus State Community College
Columbus, Ohio

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Columbus State Community College (the "College"), a component unit of the State of Ohio, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 entity'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 entity'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Columbus State Community College as of June 30, 2014 and 2013, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

Other Information

Our audit was conducted for the purpose of forming an opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards* we have also issued our report dated October 9, 2014, 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 agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Farms & Company, LLC

October 9, 2014
Columbus, Ohio

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

Board of Trustees
Columbus State Community College

We have audited, 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, the financial statements of the business-type activities and discretely presented component unit of Columbus State Community College (the "College"), a component unit of the State of Ohio, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 9, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Farms & Company, LLC

October 9, 2014
Columbus, Ohio

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Trustees
Columbus State Community College

Report on Compliance for Each Major Federal Program

We have audited Columbus State Community College's (the College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2014. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Farms & Company, LLC

October 9, 2014
Columbus, Ohio

**COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014**

Section I. Summary of Auditor's Results

A. *Financial Statements:*

1. Type of auditor's report issued: UNMODIFIED
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)? Yes X 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: UNMODIFIED
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)):
 - U.S. Department of Education - Student Financial Assistance Cluster (84.007, 84.033, 84.063, and 84.268)
 - U.S. Department of Veterans Affairs – Vocational Rehabilitation for Disabled Veterans (64.116)
5. Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,333,056
6. Auditee qualified as low-risk auditee? X Yes No

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(continued)
For the Year Ended June 30, 2014

Section II. Financial Statement Findings

No Findings

Section III. Federal Award Findings and Questioned Costs

No Findings.

Section IV. Summary of Prior Audit Findings

No Findings.



ACCOUNTANTS + CONSULTANTS

585 South Front Street
Suite 220
Columbus, Ohio 43215

MANAGEMENT LETTER

October 9, 2014

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, 2014, and have issued our report thereon dated October 9, 2014.

In planning and performing our audit of the financial statements of the College for the year ended June 30, 2014, 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

INFORMATION TECHNOLOGY SYSTEM COMMENT

Facilities Management Administration Process

While we noted physical access to the data center has been greatly reduced, there appears to be an issue with Facilities Management's administration process as Information Security identified a number of users with inappropriate access during their review. We recommend Facilities Management develop an on-boarding process that requires Facilities Management leadership's approval prior to granting access to any information technology space.

Management Response

Information Security and representatives of Facilities Management have met to improve our existing process to include regular access reviews of all information technology spaces and timelier granting/removal of access.

COMPLIANCE

Federal Supplemental Educational Opportunity Grant Program

34 CFR sections 676.10 and 676.20 establish the requirement that priority for FSEOG awards be given to Federal Pell grant recipients. The College's policy requires a student be a Pell grant recipient in order to receive a FSEOG award.

We noted two students awarded a total of \$583 in FSEOG funding who were not Federal Pell grant recipients during 2014.

It was noted that the students were not Federal Pell grant eligible because they had reached their lifetime Federal Pell grant eligibility.

We recommend the FSEOG program be refunded the \$583 disbursed to the ineligible students.

Management Response

The Financial Aid Department acknowledges that two FSEOG awards were disbursed to students who no longer qualified for Pell Grant funding due to exceeding their Pell Grant lifetime limits. The funds that were disbursed were returned to the Department of Education one day after the errors were identified. The Financial Aid Department has made adjustments to the disbursement rules in Ellucian Colleague to prevent this error from occurring in the future.

STATUS OF PRIOR MANAGEMENT LETTER COMMENTS

Grant Revenue Recognition Process

Comment

During our testing of grant revenues, we noted an instance where grant revenue was recorded in the wrong fiscal year. The College recorded revenue related to an invoice for the Bio Tech grant in 2013 when the expense related to the grant occurred in 2012. It appears the College's revenue cutoff procedures missed properly accruing the related revenue for expenses incurred during fiscal year 2012. As a result, 2013 fiscal year revenues are overstated by \$67,287 and fiscal year 2012 was understated by the same amount. An adjustment was not proposed since it was deemed not material to the financial statements as a whole.

Status

No similar cutoff issues were noted in 2014.

Deposits of Public Money

Comment

During our Ohio Revised Code (ORC) compliance testing, we noted the process for depositing monies received by various departments within the College did not always provide sufficient detail to determine when the monies had been collected by the department. ORC specifies a timeframe in which public money collected is to be deposited (forwarded to) the public office's designated depository, which for the College is the cashier's office. The College cashier's office maintains written logs of when cash is received from other departments. The logs don't consistently specify the date of receipt by the cashier's office. Also, the departments don't consistently maintain logs that show when cash was received by the department and when it was forwarded to the cashier's office. Since documentation was insufficient for us to determine when the monies were received by the department, we were unable to determine if the College was in compliance with the timeliness of depositing public money with the designated depository.

The ORC compliance requirement states that all public money must be deposited with the treasurer of the public office *or* to a designated depository on the business day following the day of receipt. Public money collected for other public offices must be deposited by the first business day following the date of receipt. If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it.

Status

Similar exceptions noted in 2014.

Management's Response

The college took corrective action and set up procedures to comply with ORC, which were implemented in April 2014. The exceptions that were noted all took place prior to the corrective action.

Information Technology System Comments

1. Revocation of Terminated User Access Rights

We noted for 1 of 15 terminated employees selected for review, the individuals access rights to College's network had not been terminated as specified by College policy. The College requires notification of termination of an employee to be sent to the IT administrator within 3-5 days of termination. For the individual noted, this did not happen, however, we were able to verify that there had not been any attempt to access the College's network subsequent to their termination.

Status

Resolved

2. Project Management System

Our testing of the College's Project Management System revealed instances where for projects selected for review, procedures had not been documented showing the actual test procedures performed, results of testing, and follow-up procedures. We recommend management ensure the "Test Plan Template" be complete prior to migrating changes into production.

Status

Similar exceptions noted in 2014.

Management Response

We agree with this recommendation and will continue to improve our documentation of events.

3. Change Management System

We noted instances where change management requests lacked evidence of testing, and additional instances of change requests testing descriptions that were extremely vague. In these instances, it would not be possible to replicate the procedures as noted. Additionally, the results of test procedures were not documented. Lastly, we noted instances where the changes lacked evidence of final approval.

Status

For 2014, we noted seven of twenty-three change management requests reviewed lacked documentation of appropriate approval. Seven of the items also lacked evidence of testing or a back-out plan. Also, ten of the items tested were not documented in such a way they could be re-performed or independently determine the change had been adequately tested.

Management Response

We agree with this recommendation and will continue to improve our documentation of events.

4. Back-Up Log

We noted the back-up log contained a number of missed files and some failed jobs. A number of the failures appear to be repetitive in nature. We recommend any failed jobs be properly monitored and corrective action taken as needed to ensure back-up routines are completed properly.

Status

Resolved

5. Documentation Retention Policy

We have reviewed the current documentation retention policies and procedures. We recommend the college continue to define area by area the specific retention plans. These plans should include information regarding the type of document and length of retention.

Status

Not fully resolved.

Management Response

This is a statement from CSCC's in-house legal team which is charged with leading this effort: "Our legal counsel has already met with Sub-Cabinet (in February and March) and has a working list of employees as liaisons for record retention review under our current record retention schedule (follows the "Records Retention for Public Colleges and Universities in the State of Ohio"). We'll have a meeting with liaisons and then will be starting a pilot program with 2 departments to begin work." Information Security is a member of this team. The first liaison meeting took place on July 31, 2014.



COLUMBUS STATE COMMUNITY COLLEGE BOARD ACTION

Date _____

SUBJECT:

Revised Fiscal Year 2015 Operating Budget

BACKGROUND INFORMATION:

In May 2014, the Board of Trustees approved the FY 2015 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 and the State's Controlling Board, and other activities that may impact the budget. Revised FY 2015 operating budgets for the College's General Fund and Auxiliary Fund are attached.

General Fund (Exhibit A)

Revenues. The FY 2015 state subsidy calculated by the Ohio Board of Regents and approved in December 2014 by the State of Ohio's Controlling Board yielded an allocation \$830,624 higher than originally budgeted.

Enrollment was budgeted for FY 2015 at 3% lower than the prior year. Autumn 2014 enrollment was 5.8% lower than last year. Spring 2015 is trending about 9.5% below last year. Summer 2015 enrollment, part of which is accounted for in this fiscal year, remains budgeted comparable to Summer 2014. Based on these actual and updated enrollment assumptions, tuition revenue in the revised FY 2015 budget is projected to be \$3.8 million below the operating budget approved by the Board in May.

Coupling revised tuition revenue with adjustments to fees, partnership, and miscellaneous revenue as well as state subsidy, total revenues in the proposed revised FY 2015 budget total \$137,662,480 (line n) or \$2,816,060 (2.0%) less than originally budgeted.

Expenses. FY 2015 expense priorities continue to include enhancing strategic enrollment recruitment and management; improving retention through a redesigned academic advising program, orientation, and student success projects; establishing a student placement center; retaining annual contracted faculty; maintaining and upgrading our technology infrastructure; and maintaining sufficient funds for professional development. Compensation adjustments were also a priority in the FY 2015 budget and were implemented as planned.

To manage the shortfall in revenue, expenses will be reduced in early February to levels commensurate with revised revenue estimates. The expenditure reduction necessary to yield a balanced budget is \$2,515,661, for a total operating expense revised budget of 135,286,095 (line w). Reductions will include adjunct budget savings due to lower enrollment, vacancy savings generated while positions are being filled, and bad debt expense lower than originally budgeted. While expenditures may be adjusted between and among spending categories as reductions are made in early February, the total budget will not exceed projected revenues.

Auxiliary Fund (Exhibit B)

Total revenues for auxiliary enterprises are projected to be \$3,044,310 or 11.4% lower than originally budgeted. This is mostly the result of lower enrollment and numerous textbook affordability initiatives. Expenses are projected to decrease by \$49,026 or 2.3% compared to the original budget. 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 2015 operating budgets for the College's general fund (Exhibit A) and the auxiliary fund (Exhibit B), and authorizes the President to allocate additional general fund operating and instructional expenses commensurate with enrollments and related revenues in excess of amounts included in the revised FY 2015 budget provided the operating budget remains balanced.

Columbus State Community College
District Operational Budget Comparison
Proposed FY15 Revised Budget Compared to FY15 Budget, FY12 and FY13 PYE, and FY14 Audited

	(1) FY12 PYE	(2) FY13 PYE	(3) FY14 Audited	(4) FY15 Budget	(5) FY15 Revised	(6) Difference FY15/RFYE15	(7) Percent Inc./(Dec.)
Revenues							
Appropriations							
(a)	Subsidy	\$58,179,006	\$60,304,059	\$60,429,174	\$60,373,649	\$61,204,273	\$830,624 1.4%
(b)	Student Support Services -	36,578	53,376	54,827	0	0	0 0.0%
(c)	SSI - Stimulus	0	0	0	0	0	0 0.0%
(d)		58,215,584	60,357,435	60,484,001	60,373,649	61,204,273	830,624 1.4%
Student							
(e)	Tuition	86,765,663	72,734,323	75,171,489	74,399,986	70,599,986	(3,800,000) -5.1%
(f)	Tuition - Calendar Realignment	2,824,628	4,011,032	0	0	0	0 0.0%
(g)	Fees	5,162,992	4,204,046	4,134,013	4,167,231	4,092,691	(74,540) -1.8%
(h)	Special Courses	1,365,494	1,272,508	1,271,839	1,045,530	1,045,530	0 0.0%
(i)		96,118,777	82,221,909	80,577,341	79,612,747	75,738,207	(3,874,540) -4.9%
Other							
(j)	Partnership Revenue	430,000	331,548	294,248	292,144	250,000	(42,144) -14.4%
(k)	Contract Services	600,000	335,000	215,016	100,000	100,000	0 0.0%
(l)	Miscellaneous	471,184	144,532	243,929	100,000	370,000	270,000 270.0%
(m)		1,501,184	811,080	753,193	492,144	720,000	227,856 46.3%
(n)	Total Revenues	155,835,545	143,390,424	141,814,535	140,478,540	137,662,480	(2,816,060) -2.0%
Expenditures							
(o)	Educational & General						
	Instructional	85,390,839	76,495,615	70,707,172	75,003,981	73,069,606	(1,934,375) -2.6%
(p)	Instructional - Calendar Realignment	981,750	2,227,981	0	0	0	0 0.0%
(q)	Library	2,202,714	1,990,976	1,767,766	1,768,548	1,987,766	219,218 12.4%
(r)	General	11,605,834	10,302,032	10,614,191	10,240,044	10,195,213	(44,831) -0.4%
(s)	Information Technology	12,413,591	11,952,596	11,368,078	13,327,683	13,293,384	(34,299) -0.3%
(t)	Student Services	13,026,993	13,489,381	13,731,567	14,739,583	14,425,589	(313,994) -2.1%
(u)	Operation & Maintenance of Plant	14,056,351	13,034,407	13,231,453	13,527,863	13,483,128	(44,735) -0.3%
(v)	Administration	9,846,099	9,847,089	7,889,695	9,194,054	8,831,409	(362,645) -3.9%
(w)	Operational Expenditures	149,524,171	139,340,077	129,309,922	137,801,756	135,286,095	(2,515,661) -1.8%
(x)	Transfer for Equip. & Replacement	3,000,000	2,500,000	2,000,000	1,000,000	1,000,000	0 0.0%
(y)	Transfer for Debt Service	1,463,756	1,460,906	1,388,906	1,376,385	1,376,385	0 0.0%
(z)	Transfer for Capital Improvements	0	0	1,850,000	0	0	0 0.0%
(aa)	Transfer One-Time Compensation	2,600,000	0	1,700,000	0	0	0 0.0%
(ab)	Transfer for Scholarships	0	0	1,850,000	0	0	0 0.0%
(ac)	Total Expenditures & Transfers	156,587,927	143,300,983	138,098,828	140,178,141	137,662,480	(2,515,661) -1.8%
(ad)	Net Operational Revenues	(752,382)	89,441	3,715,707	300,399	0	(300,399) -100.0%
(ae)	Reserve Funding						
(af)	Transfer-In Delaware Campus	2,058,380	0	0	0	0	0 0.0%
(ag)	Budget Tuition Stabilization	0	0	0	0	0	0 0.0%
(ah)	Interest Income	499,860	197,582	346,842			
(ai)	Net Revenues	\$1,805,858	\$287,023	\$4,062,549	\$300,399	\$0	\$ (300,399) -100.0%

Notes

- (1,2,3) FY12 and FY13 represent projected year end as of June 30th; FY14 represents audited figures.
- (a) *Subsidy* as approved by the Controlling Board, December 15, 2014.
- (e) *Tuition revenue* includes actual revenue for SU14 and AU14, SP15 revenue is projected at 9.5% lower than last Spring and SU15 revenue is projected flat to SU14.
- (f,p) Eliminates revenues and expenses that were necessary in FY13 to accommodate calendar-realignment for semesters.
- (g) *Fee revenue* includes application, records & ID fee, lab, parking and other fees.
- (l) Miscellaneous revenue includes revenue for print shop income and coin operated duplication funds starting in RFY15. In prior years, this revenue was shown as an offset to expenditures.
- (o) *Education and General Instruction* includes the Division of Arts & Sciences, Career and Technical Programs, Workforce Development, Distance Learning, Dual Enrollment, Assessment, Curriculum Management, Academic Affairs VP Offices, and Regional Learning Centers.
- (r) *General* includes Facilities Management, Human Resources, Campus Services, Marketing & Communication, Institutional Effectiveness, Grants Office, Diversity & Inclusion and the Foundation Office.
- (t) *Student Services* includes Disability Services, Admissions, Student Conduct, Career Services, Testing Center, Telephone Information, Registration, Financial Aid, Counseling, Advising, Athletics, Student Engagement, Veterans Office, TRIO/Special Projects and Dean/VP Offices.
- (v) *Administration* includes Sr. VP BAS, President's Office, Delaware Campus Admin, Business Services, and an allocation for bad debt.

Columbus State Community College
Auxiliary Services Budget Comparison
Proposed FY15 Revised Budget Compared to FY15 Budget, FY12 and FY13 PYE, and FY14 Audited

	(1) FY12 PYE	(2) FY13 PYE	(3) FY14 Audited	(4) FY15 Budget	(5) FY15 Revised	(6) Difference FY15/RFYE15	(7) Percent Inc/(Dec)
Revenues							
(a) Bookstore	\$3,349,018	\$2,832,339	\$3,434,984	\$3,130,086	\$2,739,310	(\$390,776)	-12.5%
(b) Child Development Center	711,476	656,785	0	0	0	0	
(c) Food Services	340,229	418,505	341,221	305,000	305,000	0	0.0%
(d) Bridgeview	442,376	239,563	0	0	0	0	
(e) Total Revenues	4,843,099	4,147,192	3,776,205	3,435,086	3,044,310	(390,776)	-11.4%
Expenses							
(f) Bookstore	1,924,458	1,836,435	1,664,519	1,949,089	1,893,766	(55,323)	-2.8%
(g) Child Development Center	1,055,419	937,090	0	0	0	0	
(h) Food Services	114,333	183,286	125,803	217,420	223,717	6,297	2.9%
(i) Bridgeview	500,542	463,929	0	0	0	0	
(j) Total Expenses	3,594,752	3,420,740	1,790,322	2,166,509	2,117,483	(49,026)	-2.3%
Net Income/(Loss)							
(k) Bookstore	1,424,560	995,904	1,770,465	1,180,997	845,544	(335,453)	-28.4%
(l) Child Development Center	(343,943)	(280,305)	0	0	0	0	
(m) Food Services	225,896	235,219	215,418	87,580	81,283	(6,297)	-7.2%
(n) Bridgeview	(58,166)	(224,366)	0	0	0	0	
(o) Total Net Income/(Loss)	1,248,347	726,452	1,985,883	1,268,577	926,827	(341,750)	-26.9%
Miscellaneous							
(p) Administrative Office	494,657	511,563	644,233	514,128	512,658	(1,470)	-0.3%
(q) Marketing	0	0	0	30,500	30,500	0	0.0%
(r) College Strategic Priorities	0	0	0	475,000	381,500	(93,500)	-19.7%
(s) Total Miscellaneous	494,657	511,563	644,233	1,019,628	924,658	(94,970)	-9.3%
(t) Total Auxiliary Net Income	\$753,690	\$214,889	\$1,341,650	\$248,949	\$2,169	(\$246,780)	-99.1%
(u) Capital Equipment and One-Time Comp			\$ 45,138	\$ 50,000	\$ 119,000		

Notes

(1,2,3) FY12 and FY13 represent projected year end as of June 30th; FY14 represents audited figures.

(a,c) Bookstore and Food Services revenue represents revenue net of cost of goods sold.

(p) Administrative Office includes expenses related to administrative expenses common to both enterprises.

(u) Capital Equipment and One-Time Comp to be funded from Auxiliary's reserves.



COLUMBUS STATE COMMUNITY COLLEGE BOARD ACTION

Date _____

SUBJECT:

Financial Statements as of, and for the six months ended December 31, 2014.

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, 2014, be accepted as presented.

COLUMBUS STATE

COMMUNITY COLLEGE

TO: Dr. David T. Harrison, President
FROM: Theresa J. Gehr, Senior Vice President, Chief Financial Officer and Treasurer
DATE: January 9, 2015
SUBJECT: Financial Statements as of December 31, 2014



Attached are the financial statements of the Columbus State Community College District, the Foundation, and the President's Discretionary Fund for the period ended December 31, 2014.

1. General Fund (Exhibit B)

Revenues

The FY 2015 state subsidy calculated by the Ohio Board of Regents and approved in December 2014 by the State of Ohio's Controlling Board yielded an allocation \$830,624 higher than originally budgeted.

Enrollment was budgeted for FY 2015 at 3% lower than the prior year. Autumn 2014 enrollment was 5.8% lower than last year. Spring 2015 is trending about 9.5% below last year. Summer 2015 enrollment, part of which is accounted for in this fiscal year, remains budgeted comparable to Summer 2014. Based on these actual and updated enrollment assumptions, tuition revenue in the revised FY 2015 budget is projected to be \$3.8 million below the operating budget approved by the Board in May.

Coupling revised tuition revenue with adjustments to fees, partnership, and miscellaneous revenue as well as state subsidy, total revenues in the FY 2015 Projected Year End total \$137,662,480 (line 13) or \$2,816,060 (2.0%) less than originally budgeted.

FY 15 Term	Budgeted Credit Hours	FY 15 Credit Hours	Budget to Actual Increase/ Decrease	Actual FY 14 FTEs	FY 15 FTEs*	% Variance
Summer 2014**	52,754	51,764	-1.9%	8,446	7,502	-11.2%
Autumn 2014*	219,505	212,241	-3.3%	15,022	14,149	-5.8%
Spring 2015	207,974					
Summer 2015	61,115					

* FY15 preliminary student credit hours and FTEs

** Summer semester 2014 straddles both FY14 and FY15, with 46% of the revenue attributed to FY15.

Expenses

FY 2015 expense priorities continue to include enhancing strategic enrollment recruitment and management; improving retention through a redesigned academic advising program, orientation, and student success projects; establishing a student placement center; retaining annual contracted faculty; maintaining and upgrading our technology infrastructure; and maintaining sufficient funds

BUSINESS & ADMINISTRATIVE SERVICES

for professional development. Compensation adjustments were also a priority in the FY 2015 budget and were implemented as planned.

Expenditure reductions total \$2,515,661, for a total operating expense (including debt service) for FY 2015 Projected Year End of \$136,662,480 (line 22). Reductions will include adjunct budget savings due to lower enrollment, vacancy savings generated while positions are being filled, and bad debt expense lower than originally budgeted.

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

The Bookstore revenues through December are approximately \$190,000 or 3% lower than the same period last year due to lower enrollment and numerous textbook affordability initiatives. Cost of goods sold as a percent of revenue is higher due to textbook adoption updates which are costlier than used books. Expenditures are lower compared to the same period last year, largely because payroll expenses are lower due to budgeted positions that have not yet been filled and reduced debt service expense. Food Service has rebounded from the cafeteria's closure for a majority of the summer while roof repairs were made, with revenues nearly 9% higher than the same period last year. These changes are reflected in the revised FY 2015 budget and the auxiliary fund is expected to balance within the revenues the enterprises are projected to generate.

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

To-date disbursements of \$953 leave a balance of \$19,047 at December 31 in this Fund.

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

Foundation contributions through December are \$161,764 compared to \$5,380,961 through December of last year. Last year's contributions included the \$5 million gift from the American Electric Power Foundation to fund the *Credits Count* initiative. While the entire pledge must be recognized at the time it is made, expenses will be recognized as they are incurred annually through 2018. In addition, the Foundation received \$59,000 in pledges and other revenue to the First Generation Scholarship Fund in November 2013, and other donations of \$142,000, from sources such as Cardinal Health, JP Morgan Chase, Giant Eagle, and Nationwide. Management and General expenses are slightly higher than the same point last year due to increased advertising and sponsorships, while the support from the college is higher due to consultant fees for work on Strategic Goals.

5. **Investments**

The College's portfolio is invested consistent with its investment policy, with 30.93% currently invested in STAR Ohio, STAR Plus, and other money markets, with the balance in various federal agencies, municipal bonds, and treasury notes.

**COLUMBUS STATE COMMUNITY COLLEGE
BALANCE SHEET AT DECEMBER 31, 2014
With Comparative Figures at December 31, 2013**

EXHIBIT A

<u>Assets</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>	<u>Liabilities and Fund Balance</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
<u>Current Funds</u>			<u>Current Funds</u>		
<u>Unrestricted</u>			<u>Unrestricted</u>		
Educational and general			Educational and general		
Cash	\$ 5,880,762	\$ 7,637,195	Accounts payable	\$ 9,758,435	\$ 10,339,186
Investments (including money markets at cost and treasury bills and agency discount notes at market - (note 1))			Deferred income		
Accounts receivable, net of allowance for doubtful accounts	109,841,279	105,509,756	Student tuition	28,365,844	30,808,532
Interest receivable	34,388,172	38,574,176	Lab fees and credit bank	302,068	423,126
Prepaid expense	608,435	-	Due to auxiliary funds	-	-
Net Investment in Golf Course	734,721	691,903	Due to plant funds	22,993,257	17,398,404
Due from agency funds	1,145,073	222,933	Due to agency funds	-	-
Due from auxiliary funds		898,921	Fund balances (Exhibit C):		
Total educational & general	\$ 152,598,442	\$ 153,534,883	Allocated	69,480,410	68,355,261
			Unallocated	21,698,428	26,210,373
<u>Auxiliary enterprise</u>			Total fund balances	91,178,838	94,565,634
Cash	\$ 2,473,931	\$ 480,892	Total educational & general	\$ 152,598,442	\$ 153,534,883
Investments	8,289,674	8,268,274			
Accounts receivable	88,937	851,261	<u>Auxiliary enterprise</u>		
Inventories, at cost as defined (note 2)	4,444,062	5,195,617	Accounts payable	\$ 488,641	\$ 1,263,311
Other Assets	78,253	78,253	Due to educational & general fund	1,145,073	898,921
Due from general fund			Due to Plant Fund	1,475,070	1,475,070
Due from grant funds	516,630	-	Fund balances (Exhibit D):		
Total auxiliary enterprise	15,891,487	516,604	Allocated		
Total unrestricted	\$ 168,489,929	\$ 168,925,784	Unallocated	12,782,703	11,753,599
			Total fund balances	12,782,703	11,753,599
Total current funds	\$ 168,489,929	\$ 168,925,784	Total auxiliary enterprise	15,891,487	15,390,901
	[A]	[B]	Total unrestricted	\$ 168,489,929	\$ 168,925,784
			Total current funds	\$ 168,489,929	\$ 168,925,784
				[C]	[D]

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

(Continued)

**COLUMBUS STATE COMMUNITY COLLEGE
BALANCE SHEET AT DECEMBER 31, 2014**
With Comparative Figures at December 31, 2013

**EXHIBIT A
(Continued)**

<u>Assets</u>	December 31, 2014	December 31, 2013	<u>Liabilities and Fund Balance</u>	December 31, 2014	December 31, 2013
<u>Plant funds</u>					
Unexpended			Plant funds		
State appropriations receivable	-	-	Unexpended		
Capital Improvement Fund	872,852	3,515,490	Fund balances	872,852	3,515,490
Total unexpended	872,852	3,515,490	Restricted	872,852	3,515,490
			Total unexpended	872,852	3,515,490
Cash from Bond Proceeds	-	-	Investment in plant:		
Deposit with trustees/escrow	-	-	Interest payable	-	-
Due from general fund	22,993,257	17,398,404	Capital lease payable	-	-
Land	25,518,235	25,518,235	Accounts payable	-	-
Improvements other than buildings	12,433,778	12,117,274	Bonds payable	9,290,000	10,775,000
Buildings	158,589,637	158,566,919	Deferred Gift Annuity	-	-
Movable equipment, furniture and library books	40,102,409	39,759,409	Net investment in plant	173,011,917	169,000,199
Construction-in-progress	8,627,333	5,025,582			
Other Assets	2,835,824	2,982,870	Total investment in plant	182,301,917	179,775,199
Less: accumulated depreciation	(88,798,557)	(81,593,495)	Total plant funds	183,174,769	183,290,689
Total investment in plant	182,301,917	179,775,199			
Total plant funds	183,174,769	183,290,689	<u>Agency funds</u>		
			Cash	-	-
			Due from agencies	734,720	188,572
			Due from general fund	-	34,361
			Total agency funds	734,720	222,933
				[A]	[B]
				-	-
				734,721	222,933
				183,174,769	183,290,689
				[C]	[D]

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

COLUMBUS STATE COMMUNITY COLLEGE
 STATEMENT OF CHANGES IN FUND BALANCES OF CURRENT
 EDUCATIONAL AND GENERAL FUNDS
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

EXHIBIT C

	Balance at June 30, 2014	Net Increase for Current Period	Board Approved Additions	Transfers	Expenditures	Balance at December 31, 2014
Unrestricted						
Allocated						
Capital Improvements & Land Acquisition	\$ 8,437,891	\$ -	\$ -	(195,000)	\$ -	8,242,891 (1)
Carpet/Furniture Reupholstering	147,656	-	-	-	-	147,656 (2)
Space Efficiency Upgrades	1,036,018	-	-	-	(44,499)	1,036,519 (3)
Project Planning	25,001	-	-	45,000	(3,498)	21,503 (4)
Union Hall Renovation	8,003,605	-	-	-	(1,763,807)	6,239,798 (5)
Site Development Delaware Campus	1,172,279	-	-	-	-	1,172,279 (6)
Bookstore/DX Modifications	263,490	-	-	-	-	263,490 (7)
Facilities Infrastructure Improvements	81,808	-	-	150,000	(95,932)	135,876 (8)
Student Support Services	96,038	-	-	-	(6,596)	89,442 (9)
Massage Therapy Space	24,400	-	-	-	(21,571)	2,829 (10)
Capital Equipment	6,783,143	-	1,000,000	-	(653,359)	7,129,784 (11)
Target 2002	333,088	-	-	-	-	333,088 (12)
Collective Bargaining	33,104	-	-	-	-	33,104 (13)
Budget/Tuition Stabilization	20,756,987	-	-	-	-	20,756,987 (14)
Accumulated Lab Fees	1,093,474	-	-	-	-	1,093,474 (15)
Broadbanding	161,349	-	-	-	(162,192)	931,281 (16)
Think Again Scholarship	3,232,086	-	-	-	(18,408)	142,941 (17)
Student Success and Innovation	6,148,791	-	1,801,000	-	(422,034)	2,810,052 (18)
Strategic Growth Initiatives	1,213,509	-	1,908,432	-	(103,929)	7,845,862 (19)
Technology Initiatives	1,041,435	-	2,000,000	-	-	3,121,941 (20)
Human Capacity Development/Wellness	311,266	-	-	-	(114,797)	2,926,638 (21)
Campus Safety Initiatives	1,058,901	-	-	-	-	311,266 (22)
Energy Efficiency/Sustainability Initiatives	2,248,958	-	-	-	(6,562)	1,052,339 (23)
Delaware Campus Operations	1,098,432	-	(1,098,432)	-	(33,855)	2,215,103 (24)
Health Care Self-Insurance Escrow	1,241,018	-	-	-	-	- (25)
Health Care HSA Incentive	86,636	-	-	-	-	1,241,018 (26)
Self-Insured Workers Compensation Benefits	152,500	-	-	-	-	86,636 (27)
Voluntary Separation Incentive Plan	1,119,072	-	(1,100,000)	-	-	152,500 (28)
One-Time Compensation	1,738,229	-	-	-	(5,073)	14,000 (29)
Partnerships for Student Success	282,437	-	-	-	(1,499,110)	239,119 (30)
Workforce Development	-	-	500,000	-	(49,467)	232,970 (31)
Tobacco Free Campus Implementation	-	-	50,000	-	-	500,000 (32)
PERFORMS	2,512	-	-	-	(1,014)	50,000 (33)
Unallocated	69,425,113	-	5,061,000	-	(5,005,703)	1,499 (34)
Total General Fund	23,241,786	(1,488,061)	(5,061,000)	-	5,005,703	69,480,410 (35)
	\$ 92,666,899	\$ (1,488,061)	\$ -	\$ -	\$ -	21,698,428 (36)
	(A)	(B)	(C)	(D)	(E)	(F)

COLUMBUS STATE COMMUNITY COLLEGE
OPERATIONAL BUDGET COMPARISON FOR AUXILIARY SERVICES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2014
 With Comparative Figures at December 31, 2013

EXHIBIT D

	FY 15		FY 14		FY 15 Projected Year End		FY 14 Audited	
	Budget as approved May 2014	Actual to Date	Revised Budget as approved January 2014	Actual to Date	FY 15 Projected Year End	Projected % of Budget	FY 14 Audited Year End	Projected % of Budget
Auxiliary								
Sales/Revenues								
Bookstore	\$ 13,951,100	\$ 6,121,395	\$ 14,885,421	\$ 6,311,064	\$ 13,325,234	95.51%	\$ 14,547,124	97.73%
Food Services	345,000	260,526	427,000	239,697	360,000	104.35%	395,591	92.64%
Total Revenues	14,296,100	6,381,921	15,312,421	6,550,761	13,685,234	95.73%	14,942,715	97.59%
Cost of Goods Sold								
Bookstore	10,821,014	4,765,059	11,614,327	4,580,230	10,585,924	97.83%	11,112,140	95.68%
Food Service	40,000	31,101	86,000	21,380	55,000	137.50%	54,370	63.22%
Gross Margin	3,435,086	1,585,761	3,612,094	1,949,151	3,044,310	88.62%	3,776,205	104.54%
Operating Expenses								
Bookstore	1,949,089	861,943	1,993,138	848,521	1,893,766	97.16%	1,664,519	83.51%
Food Services	217,420	39,854	217,015	62,345	223,717	102.90%	125,803	57.97%
Auxiliary Administration	1,019,628	273,401	1,007,792	321,281	924,658	90.69%	644,233	63.93%
Total Expenses	3,186,137	1,175,198	3,217,945	1,232,147	3,042,141	95.48%	2,434,555	75.66%
Auxiliary Net Operating Income/(Loss)	248,949	410,563	394,149	717,004	2,169	0.87%	1,341,650	340.39%
Net Income/(Loss)								
Bookstore	1,180,997	494,393	1,277,956	882,313	845,544	71.60%	1,770,465	138.54%
Food Services	87,580	189,571	123,985	155,972	81,283	92.81%	215,418	173.75%
Auxiliary Administration	(1,019,628)	(273,401)	(1,007,792)	(321,281)	(924,658)	90.69%	(644,233)	63.93%
Net Auxiliary Income/(Loss)	248,949	410,563	394,149	717,004	2,169	0.87%	1,341,650	340.39%
Auxiliary Fund Balance at June 30, 2014	(50,000)	12,424,640		11,036,595	(119,000)			
Non-operating Revenues/Expenditures		(52,500)		-			403,748	
Transfers								
Audit Entries								
Auxiliary Fund Balance at December 31, 2014	[A]	\$ 12,782,703 [B]	\$ 11,753,599 [E]	[F]	\$ (116,831) [G]	[H]	1,745,398 [I]	[J]

EXHIBIT E

COLUMBUS STATE COMMUNITY COLLEGE
CASH FLOW FORECAST
AS OF DECEMBER 31, 2014

	Actual July 2014	Actual August 2014	Actual September 2014	Actual October 2014	Actual November 2014	Actual December 2014	
Beginning Cash	\$ 3,191,244	6,974,462	9,748,032	5,392,035	6,219,337	8,796,981	(1)
Cash Receipts	7,732,235	17,149,030	6,770,741	6,139,705	5,565,124	7,372,655	(2)
Cash Disbursements	(12,821,024)	(12,683,227)	(12,747,258)	(12,483,508)	(11,210,884)	(10,303,856)	(3)
Financial Aid	(1,127,993)	14,307,767	1,620,520	671,105	(3,776,596)	(195,517)	(4)
Outflow for investments	-	(16,000,000)	-	-	-	-	(5)
Inflow from investments	10,000,000	-	-	6,500,000	12,000,000	-	(6)
Ending Cash	\$ 6,974,462	9,748,032	5,392,035	6,219,337	8,796,981	5,670,263	(7)

	Forecasted January 2015	Forecasted February 2015	Forecasted March 2015	Forecasted April 2015	Forecasted May 2015	Forecasted June 2015	
Beginning Cash	\$ 5,670,263	5,320,263	5,120,263	5,370,263	5,120,263	5,220,263	(8)
Cash Receipts	14,250,000	5,250,000	5,250,000	5,250,000	10,950,000	5,750,000	(9)
Cash Disbursements	(13,000,000)	(13,000,000)	(12,500,000)	(12,500,000)	(13,000,000)	(13,000,000)	(10)
Financial Aid	20,400,000	(22,950,000)	-	-	150,000	75,000	(11)
Outflow for investments	(22,000,000)	-	-	-	-	-	(12)
Inflow from investments	-	30,500,000	7,500,000	7,000,000	2,000,000	7,500,000	(13)
Ending Cash	\$ 5,320,263	5,120,263	5,370,263	5,120,263	5,220,263	5,545,263	(14)

COLUMBUS STATE COMMUNITY COLLEGE
 PRESIDENT'S DISCRETIONARY FUND
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2014

EXHIBIT F

Cash at Beginning of Period		\$ 17,472	(1)
		<u> </u>	(2)
<u>Receipts:</u>			(3)
Deposit	2,528	2,528	(4)
			(5)
			(6)
<u>Disbursements:</u>			(7)
Oberer's Flowers	778		(8)
Patricia May-Woods	87		(9)
James Taylor	88		(10)
		953	(11)
		<u> </u>	(12)
		\$ 19,047	(13)
	[A]	<u> </u>	(14)
	[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, contributions, and other appropriate expenditures not provided for in the college operating budget.

**COLUMBUS STATE COMMUNITY COLLEGE DEVELOPMENT FOUNDATION
BALANCE SHEET AT DECEMBER 31, 2014
With Comparative Figures at December 31, 2013**

<u>Assets</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>	
Cash	\$ 990,258	\$ 217,502	(1)
Investments at market value (see note)	7,226,276	6,903,994	(2)
Pledges Receivable	6,723,286	5,107,754	(3)
Accounts Receivable	3,422	3,437	(4)
Total Assets	<u>\$ 14,943,242</u>	<u>\$ 12,232,687</u>	(5)
<u>Liabilities</u>			
Due to general fund	\$ 47	\$ -	(6)
Pledge Payable	-	-	(7)
Trade Payables	-	35,000	(8)
Total Liabilities	<u>47</u>	<u>35,000</u>	(9)
<u>Fund balance</u>			
Permanently Restricted	3,993,976	3,715,806	(10)
Temporarily Restricted	8,517,400	6,739,365	(11)
Unrestricted	2,431,819	1,742,516	(12)
			(13)
Total fund balance	<u>14,943,195</u>	<u>12,197,687</u>	(14)
			(15)
Total Liabilities and fund balance	<u>\$ 14,943,242</u>	<u>\$ 12,232,687</u>	(16)
	[A]	[B]	(17)
			(18)

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	\$ 345,023	345,023	4.77%
Equities	4,041,888	4,423,644	61.22%
Fixed Income	123,741	140,297	1.94%
Mutual Funds	<u>2,297,604</u>	<u>2,317,312</u>	<u>32.07%</u>
Total Investments	<u>\$ 6,808,256</u>	<u>\$ 7,226,276</u>	<u>100.00%</u>

EXHIBIT H

COLUMBUS STATE COMMUNITY COLLEGE DEVELOPMENT FOUNDATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2014
 With Comparative Figures at December 31, 2013

	December 31, 2014			December 31, 2013	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total All Funds	Total All Funds
Revenue					
Contributions - Scholarships and Programs	\$ 15,721	\$ 35,464	\$ 9,045	\$ 60,230	\$ 129,860 (1)
Contributions for Taste the Future	90,284	-	-	90,284	102,775 (2)
Contributions for Columbus State	-	11,250	-	11,250	148,326 (3)
Corporate Gift	-	-	-	-	5,000,000 (4)
Administration Fee Income	-	-	-	-	- (5)
Interest Income	236	-	-	236	50 (6)
Investment Income					
Realized	115,678	28,255	-	143,933	171,687 (7)
Unrealized	(137,486)	(34,940)	-	(172,426)	437,670 (8)
Investment income-subtotal	(21,808)	(6,685)	-	(28,493)	609,357 (9)
Total revenues	84,433	40,029	9,045	133,507	5,990,368 (10)
Expenditures					
Scholarships and Projects	-	83,738	-	83,738	126,635 (12)
Contributions to Columbus State	-	45,000	-	45,000	148,326 (13)
Corporate Gift	-	-	-	-	- (14)
Administrative Fee Expense	-	-	-	-	- (15)
Management and general	85,019	-	-	85,019	71,851 (16)
Total expenditures	85,019	128,738	-	213,757	346,812 (17)
Excess (deficit) of revenues over expenditures	(586)	(88,709)	9,045	(80,250)	5,643,556 (18)
Transfers	(7,178)	(51,575)	58,753	-	- (19)
Fund balance at beginning of period	2,439,583	8,657,664	3,926,178	15,023,445	6,554,131 (20)
Fund balance at end of period	2,431,819 [A]	8,517,400 [B]	3,993,976 [C]	14,943,195 [D]	12,197,687 [F] (21)
	\$	\$	\$	\$	\$ (22)

**COLUMBUS STATE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2014**

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	\$ 16,677,469	\$ 16,677,469	0.06%	1
STAR Ohio/Plant	872,852	872,852	0.06%	1
STAR Ohio/Auxiliary	3,386,671	3,386,671	0.06%	1
STAR Plus	15,016,595	15,016,595	0.20%	1
CSCC Operating Fund 1	35,196,340	35,069,125	0.59%	428.4
CSCC Operating Fund 2	34,177,257	34,175,220	0.91%	808
Auxiliary Services	4,904,817	4,903,185	0.89%	803
Plant Fund	8,908,667	8,902,869	0.90%	829
	<u>\$ 119,140,670</u>	<u>\$ 119,003,987</u>		

* Weighted

<u>Portfolio Composition</u>	<u>Type</u>	<u>% of Total</u>
	STAR Ohio	30.21%
	Agencies	60.51% *
	Municipal Bonds	6.06%
	Treasury Notes	2.50%
	Cash & Equivalents	0.72%
		<u>100.00%</u>

* This includes discount notes, callable, non-callable, securitized, and step-up agency investments.

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**

Outstanding long-term debt consists of bonds payable in annual installments varying from \$800,000 to \$920,000 with interest at rates varying from 1.65% to 4.25%, 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 ACTION

Date _____

SUBJECT:

Joint Resolution - Columbus City School District Board of Education

BACKGROUND INFORMATION:

Columbus State Community College educates more Columbus City School District graduates than any other college or university. In 2014, American Electric Power and the AEP Foundation partnered with Columbus State to establish the Credits Count program, a 5 year, \$5 million grant to improve college and career success for Columbus City School District students. The work associated with Credits Count has been a catalyst for other possibilities to provide opportunities for students through the Columbus State/Columbus City Schools alliance. The partners wish to expand and elevate the collaboration through a resolution that would be adopted by both governing boards. While not legally binding, this joint resolution signifies a shared commitment to expanding opportunities for students through deep and sustained collaboration in areas such as facilities, technology, professional development, and curriculum, among others.

RECOMMENDATION:

That the Board of Trustees approve the joint resolution with Columbus City School District Board of Education establishing a framework for deep collaboration to expand opportunities for students.

RESOLUTION

A JOINT RESOLUTION OF THE BOARD OF EDUCATION OF COLUMBUS CITY SCHOOLS AND THE DISTRICT BOARD OF TRUSTEES OF COLUMBUS STATE COMMUNITY COLLEGE INDICATING THEIR COMMITMENT TO AN UNPARALLELED PARTNERSHIP TO PROVIDE COLUMBUS STUDENTS THE OPPORTUNITY TO SUCCEED IN POSTSECONDARY EDUCATION AND REWARDING, SUSTAINABLE CAREERS

WHEREAS, Columbus State Community College and Columbus City Schools are charter members of the Central Ohio Compact, a regional partnership committed to the goal of helping 60% of citizens in our region hold a postsecondary credential by 2025; and

WHEREAS, strategies of the Central Ohio Compact include: increasing the percentage of students who graduate from high school prepared to do college level work; increasing the percentage of students who graduate from high school with earned college credit; differential strategies to increase the postsecondary attainment rate of first-generation college students, low-income students, and students of color; and WHEREAS, the American Electric Power Company and the AEP Foundation have committed \$5 million to establish Credits Count, a program at Columbus State Community College designed to implement grade 9-14 career pathways at five high schools within the Columbus City Schools district, increasing the number of students who graduate from high school with one or more post-secondary certificates that are valued in the workplace while earning credits toward a college degree, and serving as an incubator for innovation for new programs and practices in high schools and middle schools; and

WHEREAS, Columbus City Schools and Columbus State Community College are committed to helping young people and adult learners prepare for high-skill, sustainable careers in high-demand fields, thereby making the Central Ohio region economically competitive on a global scale; and

WHEREAS, Columbus State Community College and Columbus City Schools are committed to making higher education accessible and affordable for all students through dual credit programs, increasing the number of students who enroll at Columbus State directly out of high school and growing two-plus-two pathways

between Columbus State and university partners in the Central Ohio Compact; and

WHEREAS, Columbus City Schools and Columbus State Community College are committed to maximizing the impact of public and private resources, sharing facilities, staffing, and services to eliminate redundancy, thereby ensuring outstanding stewardship of taxpayer dollars.

NOW, THEREFORE, BE IT RESOLVED: That we, the Columbus Board of Education, on this 6th day of January 2015, in adopting this Joint Resolution with the District Board of Trustees of Columbus State Community College, hereby authorize the Superintendent/CEO to collaborate with the leadership at Columbus State Community College in the creation of a unique and unparalleled partnership, focused on the five identified Credits Count high schools and feeder middle schools, to enable autonomous action; entrepreneurial thinking; and flexible practices to accelerate promising practices and student success; and

BE IT FURTHER RESOLVED, That the Board of Education authorize the Superintendent/CEO to share and align facilities and resources to integrate programming or collaboratively design alternate pathways for high-demand fields such as advanced manufacturing, welding, building trades, healthcare, information technology, automotive technology, and emerging workforce development trends; and

BE IT FURTHER RESOLVED, That the Board of Education authorizes the Superintendent/CEO to partner with Columbus State Community College to provide non-traditional secondary and workforce experiences leading to postsecondary credentials and career opportunities for students not well-served by a traditional academic environment.



COLUMBUS STATE COMMUNITY COLLEGE BOARD ACTION

Date _____

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.

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>
Terrence Brooks (712)	Director I	Student Conduct	11/03/14	\$71,953
Edwynna Freeman (50729)	Business Partner	Human Resources	11/17/14	\$50,255
Faye James (50539)	Project Specialist	Distance Education & Instructional Services	12/01/14	\$42,000
John Peek (50243)	Building Services I	Facilities Management	12/01/14	\$24,044
Donna Robinson (50576)	Office Associate	Computer Sciences	11/17/14	\$33,134
Elizabeth Straub (50099)	Specialist	Admissions	11/17/14	\$33,134

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/voluntary cash separation incentives/reductions in force/terminations/retirements have been accepted.

<u>NAME</u>	<u>POSITION</u>	<u>DEPARTMENT</u>	<u>DATE</u>
Elizabeth Daugherty (50150)	Assistant Professor	Business Office Applications	12/31/14
Donald Ehret (50623)	Professor	Communications	12/31/14
Kristina Fox (50330)	Specialist	Career Services	11/07/14
Flor Muntner (50917)	Office Associate	President's Office	10/31/14
Rikki Peck (50075)	Advisor	Admissions	12/31/14
Michele Welsch (50072)	Advisor	Advising Services	12/31/14
Valerie Wilson (50674)	Program Coordinator	Marketing & Communications	12/31/14