



**COPY TO ALL BOARD MEMBERS**  
*Teresa Lister, Ex Officio Staff Member*  
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**BOARD OF TRUSTEES  
COMMITTEE OF THE WHOLE**

January 15, 2009  
12:00 noon  
Pete Grimes Board Room

**AGENDA**

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(1) Auditor's Report for Period ending June 30, 2008.....	1
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## COLUMBUS STATE COMMUNITY COLLEGE

Date \_\_\_\_\_

### BOARD ACTION

#### SUBJECT:

Report of Independent Auditors on the financial statements for the year ended June 30, 2008.

#### 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, 2008 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 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, 2008 and 2007, 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 41-42) in which there were no findings (page 42, Section II) or questioned costs (page 42, Section III).

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 also noted no deficiencies in internal control over financial reporting that 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, 2008. 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 matters for which improvements can be made. 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, 2008, for the College and the Foundation as prepared by Parns & Company, LLC.

## **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, 2008 and 2007, 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, 2008 and 2007, 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, 2008, 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 15 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, 2008, 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.

*Parms & Company, LLC*

October 15, 2008  
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, 2008, and have issued our report thereon dated October 15, 2008. 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.

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 entity's financial statements 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 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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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.

*Farms & Company, LLC*

October 15, 2008  
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, 2008. 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, 2008.



### 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, 2008  
Columbus, Ohio

**COLUMBUS STATE COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2008**

**Section I. Summary of Auditor's Results**

**A. *Financial Statements:***

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

**B. *Federal Awards:***

- |    |  |                     |
|----|--|---------------------|
| 1. | Internal control over major programs:  |                     |
|    | a. Material weakness(es) identified?   | ___ Yes <u>X</u> No |
|    | b. Significant deficiency(ies) identified that are Not considered to be material weakness(es)?                     | ___ Yes <u>X</u> No |
| 2. | Type of auditor's report issued on compliance for major programs:  | <u>UNQUALIFIED</u>  |
| 3. | Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | ___ Yes <u>X</u> No |
| 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)                                 |                     |
| 5. | Dollar threshold used to distinguish between Type A and Type B programs:   | \$ <u>794,068</u>   |
| 6. | Auditee qualified as low-risk auditee?   | <u>X</u> Yes ___ No |

**COLUMBUS STATE COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(continued)  
For the Year Ended June 30, 2008**

**Section II. Financial Statement Findings**

No findings.

**Section III. Federal Award Findings and Questioned Costs**

No findings.

**Section IV. Summary of Prior Audit Findings**

The prior audit report contained no audit findings and no questioned costs.

## MANAGEMENT LETTER

November 12, 2008

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, 2008, and have issued our report thereon dated October 15, 2008.

In planning and performing our audit of the financial statements of the College for the year ended June 30, 2008, we considered its internal control 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 help ensure that the College has an adequate system of internal control. 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*

## **CONTROL PROCEDURES**

As part of our review of system controls utilized by the College, we reviewed the College's procedures over general ledger account reconciliations. We found no material weaknesses, however, we noted the following areas where the College could improve the overall effectiveness of their control procedures:

### **Account Reconciliation Procedures**

Payroll Liability Accounts – Overall, the payroll reconciliations are being performed. However, there are several general ledger accounts utilized to record payroll liabilities, whereas, the actual payments of those liabilities are charged against only some of the liability accounts. As a result, there are several accounts that have either credit or debit balances that are not individually reconciled and these balances have continued to grow over the years. We recommend that the individual accounts be adjusted and reconciled as part of the College's payroll processing.

In addition, for the following areas, the reconciliations were prepared based on our request and not as a periodic control process.

- Grants and Contracts Receivable
- Grants and Contracts Payable
- Credit Bank Liability

We recommend the College complete reconciliations for these general ledger accounts as an ongoing control process and on an appropriate periodic basis.

### **Management Response**

The college acknowledges the importance of reconciliations as part of the internal control and financial reporting process. Due to the cyclical nature of our operations for each quarter's processes and the system resources required to generate the detail necessary for thorough reconciliations for many of the general ledger accounts, it is difficult to perform monthly reconciliations. Numerous other procedures and reviews are undertaken to mitigate the risk associated with not performing monthly reconciliations and to ensure that reported balances are fairly stated. Cash, investments, accounts receivable and capital assets represent the majority of assets, 99% of total assets as of June 30, 2008. Reconciliations are performed regularly in these areas, ranging from monthly reconciliations of cash and investments, to quarterly reviews of accounts receivable, at an individual account level, in accordance with a memorandum of understanding for collections with the Ohio Attorney General. Capital assets are evaluated for reasonableness on a monthly basis as most significant additions are funded by the state of Ohio and recorded at year end when relevant information is received from the state. Within liabilities, we agree that our review of trade payables and liabilities for credit banks should be enhanced. We are examining reporting functionality within the Datatel Colleague system to facilitate the review of trade payables. For credit bank activity, we have an active project that has been

approved by the IT Project Request Review committee to facilitate accounting for these liabilities and the related reconciliations to general ledger balances. Additionally, financial statements are reviewed on a monthly basis with the Chief Financial Officer and others having key responsibilities in the financial reporting process, to ensure that financials are fairly stated and that unexpected variances from budget and/or prior periods are attributed to trends or events, or are investigated and corrected as appropriate. The college will take steps to conduct a mid-year review of grant and contract receivables and payables, and payroll liability accounts.

### **Aging Reports**

The College has not implemented an aging process for monitoring some of their outstanding non-student related accounts receivable and their outstanding accounts payables. Accordingly, subsidiary records of amounts due by age or vendor are not generated. Although the College can determine to whom accounts payables are due, there is no report that allows management to easily ascertain that all non-processed payables are being followed up on in a timely manner. We recommend management implement monthly aging reports related to their accounts payables and follow-up on aged activity as deemed appropriate.

### **Management Response**

The college does monitor purchasing and accounts payable activity that specifically addresses the auditor's concerns. Our staff routinely monitors pending requisitions in the system that are awaiting additional information or completion of approvals. Additionally, while most trade payables are paid within 30 days, invoices that are vouchered for payment are monitored closely and regular reports are sent to cost center managers to ensure that the receipt of goods is updated within the system so that the payment process can proceed. While these reports are not in a traditional aging format, personnel in Purchasing/Accounts Payable regularly compile this data and follow-up until resolved. We are exploring reports that can be developed to aid in the review of unpaid invoices and credit memos, as a traditional accounts payable aging report is not a standard report delivered by the Datatel Colleague system as is available for accounts receivable. As discussed in the first item, due to the cyclical nature of our operations for each quarter's processes and the system resources required to generate some reports, such as the accounts receivable aging which can take 3 – 4 days to generate, it is not feasible to generate such reports on a monthly basis. Quarterly aging reports of all accounts receivable, student and non-student related, are generated by aging type. While our memorandum of understanding with the Ohio Attorney General primarily covers student accounts receivable, every effort is made to secure collection of non-student accounts as well.

### **Bank Reconciliations**

For two bank accounts, payroll and bookstore, we noted reconciling items for which original transaction dates were six months or greater (up to three years). We understand the reconciling items did not represent significant dollar values, however, there were a significant number of these transactions listed on the reconciliation. We noted that the College has been performing timely reconciliations of the bank accounts for all cash ledger accounts. However, to effectively complete the reconciliation process, outstanding items noted during the reconciliations should be resolved in a reasonable amount of time and proper adjustments made. We recommend management emphasize the need to resolve outstanding reconciling items in a timely manner.

### **Management Response**

The college recognizes that transaction dates for many items on the payroll and bookstore bank reconciliations span a wide time period. Over the past year, Business Services and Payroll personnel have made significant progress in reconciling the payroll account. Most reconciling items have resulted from differences in how payroll corrections are made and subsequently accounted for. The manner in which the Datatel Colleague payroll module processes items that are reversed or deleted, and whether this action occurs before or after the final transmittal to the bank, results in very different entries that are posted to the general ledger in the financial module, and often requires manual journal entries to complete the correction. For most of the items on the June 30, 2008 payroll reconciliation, which totaled \$9,831.59 compared to the average payroll each pay cycle of nearly \$2.5 million, they have been resolved, with the resolution often resulting in an offsetting reconciling item the following month. As we continue to work to resolve the remaining \$9,831.59, we will work to remove those items that have been fully resolved. Additionally, Business Services and Payroll will continue to work on the process and communication to complete the accounting for corrections at the time that such corrections are made. These areas will also explore reports available from the Datatel Colleague system to facilitate resolution of reconciling items as the manner in which payroll posts to the general ledger is very summarized which complicates the reconciliation process.

For the bookstore reconciliation, substantial time over the past year has been spent in centralizing the accounting for bookstore activity within the Business Services department, including integrating bookstore activity and check writing into the Datatel Colleague financials module. As this work continues, we expect that there will be fewer reconciling items and that such items will be resolved in a more timely fashion. The majority of the reconciling items for the bookstore relate to credit card deposits, which are usually simply timing differences or differences resulting from activity is recorded at gross versus net of merchant fees as opposed to problems with management of cash/currency.

## **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:

### **Project Management**

A PMO process has been put in place to ensure all projects are planned and controlled. Additionally, a change management process has been developed to ensure all changes are appropriate, have been tested and properly authorized. These processes, however, do not require formal documentation.

We recommend the test procedures performed, results of testing and approvals be documented and maintained (including changes in the Heat System and projects in the Team Dynamics application).

### **Management Response**

Over the past two years, significant progress has been made in developing more effective processes to manage development, implementation, testing, maintenance and other system-related projects for the college. This work has included the implementation of a project management application as well as training IT personnel and orienting other college personnel to the project management approach to planning and implementing new concepts/business needs at the college. While the emphasis has been on the process and procedures, we understand the importance of documenting this work. To further enhance Columbus State's change management process and control procedures used by the PMO, the Director of I.T. Support Services will review and update the current documentation requirements for the Team Dynamics and HEAT application products. The review will focus on aspects of formal documentation to supplement that which is captured within the applications. An emphasis will be placed on documentation of test procedures performed, results of testing and approval of documentation by IT personnel as well as module owners, end users and administrators.

### **Network Account Access**

We identified a number of accounts on the network that had not been accessed in over a year. Additionally, a number of accounts had been accessed during the current year, yet had not modified their passwords in over 90 days. Lastly, two accounts of terminated employees had been accessed after their termination date. Per discussion with management, we noted this is due to the following: a) These are accounts of active employees who simply do not use direct network authenticated services on a frequent basis. b) They have an account because they are active employees but either haven't used up five grace logins before a password change is forced or simply haven't accessed an application that would force that change.



We recommend management perform a through review to ensure all network accounts are configured per the College's IT security policy.

#### Management Response

The Office of Information Technology will open a conversation with Human Resources to determine if current tools meet their needs or if modifications may be needed to make the terminated employee deactivation process more efficient. We will also deploy a "checks and balances" system for campus department administrators to allow them to better assist Human Resources in verifying terminated employee accounts have been deactivated.

As discussed further below, several measures have been taken, or are planned, to better assign and monitor user access to the network and critical applications. As these measures are implemented, all network accounts will be reviewed for compliance with the college's IT security policy as recommended and corrective action taken as appropriate.

#### User Access Review

We were unable to validate that regular reviews of user access are performed since evidence of the review is not maintained. We recommend management perform regular reviews over the network and critical applications and evidence of that review be maintained.

#### Management Response

Columbus State Community College implemented the Colleague Quality Assurance Program in 2008 to manage permissions to its Enterprise Resource Planning (ERP) system based on position descriptions, and associating strict training requirements before access is granted. The college also implemented, via Policy & Procedures, a college-wide information security committee charged with the creation and maintenance of an information security program. A proposal to be submitted to the committee in January 2009 includes a proposed implementation of a formal process to maintain documented evidence of active users, associated permissions and physical access with at least quarterly review frequency to accomplish the following:

- Administrator review of permissions associated with active accounts in their departments
- Review of ERP security permissions by ERP module custodians
- Administrator review of physical access for areas identified as sensitive
- Documentation of permission change requests and associated approvals.

The documentation will be maintained centrally by the Information Security and Risk Management Program Coordinator in IT Support Services. The proposed implementation date is by March 2009.



# COLUMBUS STATE COMMUNITY COLLEGE

Date \_\_\_\_\_

## BOARD ACTION

**SUBJECT:** Allocating Net Income for the Fiscal Year Ended June 30, 2008

**BACKGROUND INFORMATION:**

In November 2007 the Board of Trustees adopted *Resource Planning Principles* that include the strategic allocation of net income realized in the previous fiscal year. While holding tuition in FY 2008 at \$79/credit hour for the third straight year, the college experienced higher than budgeted enrollment, solid returns on investments, and lower than budgeted spending, the college netted income of \$10,045,259\* or 7.8% of general fund revenues for the period ending June 30, 2008.

The Principles call for maintaining the *Budget/Tuition Stabilization* account at an amount equal to 10% of the general fund revenues. Initially allocated at \$12 million, the account should at this time be minimally increased by \$892,000. Given the unprecedented, rapid and significant decline in the national and State of Ohio economies, and the sober forecast for a rebound, it is prudent to insure this account is available to serve a growing enrollment while continuing to maintain affordable rates of tuition.

Additionally, in November 2008, the Board approved a statutorily-mandated *Energy Efficiency Plan* which will in total cost \$6.0 million to implement. Having released the initially allocated \$2.0 million, this account needs to be replenished for plan implementation.

The Delaware Campus will open in 2010. Because state subsidy is paid in arrears, general funds will be necessary to fund operational costs.

For purposes of building health care awareness, wellness, and a consumerism approach to health care consumption, the college initiated health savings accounts (HSAs) as a health care program option. The HSAs contribute to keeping health care affordable for both the employee and the college. To encourage more employees to participate in HSAs, the college has chosen and would like to continue matching each employee's annual HSA contribution as an incentive to retain and grow the number of participating employees.

Additionally, as the Governor and Chancellor continue to emphasize the need for institutions within the University System of Ohio to collaborate to improve efficiencies across the system, Columbus State would be better positioned to participate in initiatives to save further on

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\* 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, 2008.

health care by moving toward self-funding its health benefits program. An escrow account for such purpose needs to be established and funded for this initiative to flourish.

The college is undergoing a major transition to a performance-based compensation philosophy, PERFORMS. An account that will be used to reward outstanding performance will 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, 2008, as follows:

**New or Additional Allocation**

Budget/Tuition Stabilization	\$2,500,000
Delaware Campus Operations	2,500,000
Energy Efficiency/Sustainability	2,000,000
Health Care Self-Insurance Escrow	1,500,000
Health Care HSA Incentive	1,295,259
PERFORMS	<u>250,000</u>
TOTAL	\$10,045,259

**RECONCILIATION OF GENERAL FUND (Fund 10) NET INCOME for the period ending June 30, 2008**

	(1)	(2)	(3)	(4)
	General Fund Fund 10	All Other Funds	Audit Adjustments/ Eliminations	Audited Results
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS</b>				
<b>REVENUES</b>				
Operating Revenues				
Student tuition and fees (net of scholarship allowances of \$11,789,885)	\$ 68,326,203	\$ -	\$ (11,789,885)	\$ 56,536,318
Federal grants and contracts	-	4,280,526	-	4,280,526
State and local grants and contracts	640,407	6,801,065	-	7,441,472
Private grants and contracts	270,506	306,235	-	576,740
Sales and services of educational departments	20,323	-	-	20,323
Auxiliary enterprises				
Bookstore	-	9,867,245	-	9,867,245
Other	-	1,536,838	-	1,536,838
Other operating revenues	37,809	-	(1)	37,808
Total operating revenues	<u>69,295,249</u>	<u>22,791,907</u>	<u>(11,789,886)</u>	<u>80,297,270</u>
<b>EXPENSES</b>				
Operating Expenses				
Educational and general				
Instruction and departmental research	59,774,554	-	3,588,863	63,363,417
Public Service	326,731	4,836,102	-	5,162,834
Academic Support	5,034,176	-	-	5,034,176
Student services	8,681,662	-	2,392,575	11,074,237
Institutional support	25,006,625	-	(5,981,438)	19,025,187
Operation and maintenance of plant	15,130,616	-	(1,406,789)	13,723,827
Scholarships and fellowships	-	28,921,370	(11,789,885)	17,131,485
Depreciation Expense	4,914,095	21,731	-	4,935,826
Auxiliary enterprises				
Bookstore	-	9,915,155	(358,596)	9,556,559
Other	-	1,909,076	(155,564)	1,753,512
Total operating expenses	<u>118,868,460</u>	<u>45,603,435</u>	<u>(13,710,834)</u>	<u>150,761,060</u>
Operating income (loss)	<u>(49,573,211)</u>	<u>(22,811,527)</u>	<u>1,920,948</u>	<u>(70,463,790)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State appropriations	54,457,601	626,674	-	55,084,275
Unrestricted investment income	5,160,869	255,126	-	5,415,995
Restricted investment income	-	70,629	-	70,629
Interest on capital asset related debt	-	(729,600)	-	(729,600)
Pell Grant Revenue	-	22,125,275	-	22,125,275
Other nonoperating revenue (expense)	-	1,008,210	(1,835,185)	(826,975)
Net nonoperating revenues	<u>59,618,470</u>	<u>23,356,314</u>	<u>(1,835,185)</u>	<u>81,139,599</u>
Income (loss) before other revenues, expenses, gains or losses	<u>10,045,259</u>	<u>544,787</u>	<u>85,763</u>	<u>10,675,809</u>
Capital appropriations	-	3,562,300	-	3,562,300
Increase (decrease) in net assets	<u>10,045,259</u>	<u>4,107,087</u>	<u>85,763</u>	<u>14,238,109</u>
<b>NET ASSETS</b>				
Net assets - beginning of year	<u>84,824,401</u>	<u>132,788,173</u>	<u>302,321</u>	<u>217,914,895</u>
Net assets - end of year	<u>\$ 94,869,660</u>	<u>\$ 136,895,260</u>	<u>\$ 388,084</u>	<u>\$ 232,153,004</u>

Data Source: Columbus State Community College General Ledger



## COLUMBUS STATE COMMUNITY COLLEGE

Date \_\_\_\_\_

### BOARD ACTION

#### **SUBJECT:**

Revised Fiscal Year 2009 Operating Budget.

#### **BACKGROUND INFORMATION:**

In May 2008, the Board of Trustees approved the FY2009 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 FY09 Operating Budget is attached.

##### *General Fund (Exhibit A)*

Total general fund revenues are projected to be \$132,117,216, or 3.9% more than anticipated due primarily to higher than budgeted enrollment in Summer, Autumn, and Winter quarters. Revised revenues also reflect budget reductions in two state subsidies: *Access Challenge* and *Jobs Challenge*.

Total general fund operating expenditures and transfers are projected to be \$126,635,603 or 0.6% more than the budget adopted in May 2008.

##### *Auxiliary Fund (Exhibit B)*

Total revenues for auxiliary enterprises are projected to be \$4,448,454, or 6.5% less than originally budgeted. The reduced revenue projection is due largely to less-than-budgeted revenues in the Child Development Center. The Center has made significant strides in building enrollment this fiscal year but adjusted its capacity enrollment because of restrictions of a particular grant. Revised projected expenses in total net to approximately \$50,000 less than originally budgeted.

#### **RECOMMENDATION:**

That the Board of Trustees approve the Revised FY 2009 operating budgets for the college's general fund programs (Exhibit A) and the auxiliary fund programs (Exhibit B).

**General Fund Operational Budget Comparison**  
**Proposed RFY09 Budget Compared to FY09 Budget Adopted in May 2008**

	(1) FY09 Budget	(2) RFY09 Proposed	(3) Difference	(4) Percent Increase/(Decrease)
<b>Revenues</b>				
(a) Appropriations				
(b) Subsidy (1)	\$ 52,594,272	\$ 52,981,736	\$ 387,464	0.7%
(c) Access Challenge	6,908,952	6,202,382	(706,570)	-10.2%
(d) Jobs Challenge	291,607	237,287	(54,320)	-18.6%
	<u>59,794,831</u>	<u>59,421,405</u>	<u>(373,426)</u>	<u>-0.6%</u>
<b>Student</b>				
(e) Tuition (2)	61,890,805	67,061,018	5,170,213	8.4%
(f) Fees (3)	4,324,579	4,529,209	204,630	4.7%
(g) Special courses	600,000	600,000	-	0.0%
	<u>66,815,384</u>	<u>72,190,227</u>	<u>5,374,843</u>	<u>8.0%</u>
<b>Contracted Services</b>				
(h) Net	255,585	255,585	-	0.0%
	<u>255,585</u>	<u>255,585</u>	<u>-</u>	<u>0.0%</u>
<b>Other</b>				
(i) Interest	-	-	-	-
(j) Miscellaneous	250,000	250,000	-	0.0%
	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>0.0%</u>
(k) Total Revenues	<u>127,115,800</u>	<u>132,117,217</u>	5,001,417	3.9%
<b>Expenditures</b>				
(l) Educational & General				
(m) (Instructional) (4)	67,172,844	69,238,352	2,065,508	3.1%
(n) Library	1,798,031	1,726,302	(71,729)	-4.0%
(o) General (5)	10,535,787	10,785,558	249,771	2.4%
(p) Information Technology	10,343,422	10,825,696	482,274	4.7%
(q) Student Services	9,833,013	10,059,852	226,840	2.3%
(r) Operation and Maintenance of Plant	12,777,532	12,707,221	(70,311)	-0.6%
(s) Administration (6)	5,778,613	6,743,806	965,193	16.7%
(t) Additional Payroll Items	3,094,460	-	(3,094,460)	-100.0%
(u) Operational Expenses	<u>121,333,700</u>	<u>122,086,786</u>	<u>753,087</u>	<u>0.6%</u>
(v) Transfer for equip. and replacement	3,000,000	3,000,000	-	0.0%
(w) Transfer for debt service	1,548,819	1,548,819	-	0.0%
(x) Transfer for capital improvements	-	-	-	-
(y) Total expenditures & transfers	<u>125,882,519</u>	<u>126,635,605</u>	<u>753,087</u>	<u>0.6%</u>
(z) Operational Revenues	<u>\$ 1,233,281</u>	<u>\$ 5,481,612</u>	<u>\$ 4,248,330</u>	<u>344.5%</u>

**Notes**

- (1) Subsidy reflects allocations as provided by Ohio Board of Regents which include two state budget reductions that impacted Access and Job Challenges.
- (2) Tuition revenue assumes actual Autumn and Summer numbers, projected increase for Winter and flat Spring relative to FY08.
- (3) Fee revenue includes Lab Fee Income and other student based fees.
- (4) Proposed increase provides for adjunct budget necessary to meet increased enrollment.
- (5) General includes Planning & Construction, Human Resources, Office Services, Institutional Adv., KRP, Diversity & Inclusion, and Development Office.
- (6) Administration includes VP BAS, President's Office, & Business Office.

**Columbus State Community College  
Auxiliary Fund RFY 2009 Budget**

<b><u>Revenues</u></b>	<b>FY09 Budget</b>	<b>RFY09 Proposed</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>
Bookstore	2,777,123	2,701,334	(75,789)	-2.7%
Child Development Center	1,092,795	957,608	(135,187)	-12.4%
Food Services	350,150	342,412	(7,738)	-2.2%
Bridgeview	537,936	447,100	(90,836)	-16.9%
<b>Total</b>	<b>\$ 4,758,004</b>	<b>\$ 4,448,454</b>	<b>(309,550)</b>	<b>-6.5%</b>
<b><u>Expenses</u></b>				
Bookstore	2,448,118	2,688,306	240,188	9.8%
Child Development Center	1,179,855	1,129,847	(50,008)	-4.2%
Food Services	79,316	74,130	(5,186)	-6.5%
Bridgeview	501,808	480,274	(21,534)	-4.3%
Add'l Payroll Items	106,404	-	(106,404)	-100.0%
Marketing*	148,317	41,761	(106,556)	-71.8%
<b>Total</b>	<b>4,463,818</b>	<b>4,414,318</b>	<b>(49,500)</b>	<b>-1.1%</b>
 <b>Auxiliary Net Income</b>	 <b>\$ 294,186</b>	 <b>\$ 34,136</b>	 <b>(260,050)</b>	 <b>-88.4%</b>

\* Marketing includes \$24K from Bridgeview and \$17k from Bookstore.



# 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. The attached personnel actions took place during the months of October, November, December 2008, and January 2009.

**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>
Mary Ashley (New – Board Approved)	Program Coordinator	Institutional Advancement	01/16/09	\$58,522
Paul Boaz (Repl. R. Geter)	Program Coordinator - Event Planner	Community Education Workforce Development	01/01/09	\$44,034
Kellie Brennan (New – Board Approved)	Program Coordinator	Student Life	02/02/09	\$51,000
Kelly Brown (T. Scott)	Police Officer	Public Safety	01/02/09	\$30,696
Gary Charles (Repl. J. Volk)	Technician	Communication Technology PC Services	11/17/08	\$40,063
Mary Chalton (New – Board Approved)	Instructor	Nursing	01/05/09	\$42,645
Robert Clifford (Repl. E. Boyce)	Program Coordinator	I.T. Support Services	01/02/09	\$53,196
Elon Crosby (Repl. G. Charles)	Specialist Safety & Security	Public Safety	11/17/08	\$28,652
Marsha Garrett (Repl. K. Payne-Robertson)	Specialist	Instructional Services/ Distance Learning	01/16/09	\$31,212
William Highley (Repl. T. Henry)	Instructor (HVAC)	Automotive & Applied Technology	01/05/09	\$42,645
Marlene Jablonka (Repl. S. Nault)	Specialist	Human Resources	12/01/08	\$33,129
Amanda Llewellyn (Repl. A. Lopez-Wellman)	Office Associate	Hospitality, Massage Therapy Sport & Exercise Studies	12/16/08	\$30,000
Francis Neutzling (Repl. K. Ruffin)	Technician	Educational Resource Center	01/02/09	\$40,063
Jeremy Porter  (Repl. D. Schmidt)	Instructor - CIT	Integrated Media & Technology	01/05/09	\$44,224

Jenelle Pride (Repl. R. McGlaughlin)	Specialist London Correctional	Off-Campus	12/01/08	\$28,652
Casey Raver (Repl. W. Murphy)	Police Officer	Public Safety	01/01/09	\$30,696
Jacob Schneider (New B/A)	Technician	Automotive & Applied Technologies	01/01/09	\$36,480
Ardell Trotter (Repl. D. Cummings)	Building Services I	Physical Plant	12/16/08	\$23,250
Brian Wheeler (Repl. S. Clegg)	Coordinator – Prison Programs	Off-Campus	12/01/08	\$40,063

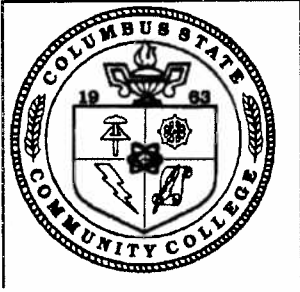
**COLUMBUS STATE COMMUNITY COLLEGE**

**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.

<b><u>NAME</u></b>	<b><u>POSITION</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>DATE</u></b>
Stephanie Habecker (Resignation)	Police Officer	Public Safety	11/30/08
Shalonda Hart (Resignation)	Technician	Public Safety	11/30/08
Jacqueline Stewart (Resignation)	Assistant Director	Records & Registration	10/31/08
Beverly Sweeney (Retirement)	Specialist	Off-Campus	12/31/08



## COLUMBUS STATE COMMUNITY COLLEGE

Date \_\_\_\_\_

### BOARD ACTION

**SUBJECT:**

Financial Statements as of and for the five months ended November 30, 2008.

**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 five months ended November 30, 2008, 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:** December 10, 2008  
**SUBJECT:** Financial Statements as of November 30, 2008

Attached are the financial statements of Columbus State Community College, the Foundation, and the President's Discretionary Fund for the period ended November 30, 2008.

1. **General Fund**

• **Enrollment**

Quarter	Budgeted Headcount	Headcount	Increase/ Decrease	FY 08 FTEs	FY 09 FTEs	% Variance
Summer 2008	13,663	14,265	4.4%	7,443	7,859	5.6%
Autumn 2008*	23,057	24,237	5.1%	15,010	16,120	7.4%
Winter 2009						
Spring 2009						

\*Preliminary headcounts and FTEs

**Revenues (Exhibit B):** Total operating revenues at November 30, 2008 are \$50,314,509 for the period, \$3.5 million or 7.5% more than the same period last year, due in large part to increased subsidy and higher than budgeted enrollment for Summer and Autumn quarters.

While not budgeted as operating revenues per Board guidelines, interest earnings are approximately \$600,000 or 32.5% lower than the same period last year due to declining interest rates (see line 29, Exhibit B).

**Expenditures (Exhibit B):** Total operating expenditures (before transfers) are \$45,020,442 for the period, or 36.6% of the budget, which is consistent with the same period last year. Projected year end expenditures are currently tracking within 1% of budget.

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

Revenues and related costs of goods sold are considerably higher through November 30, 2008, compared to the same period last year, due primarily to the timing of the start of summer quarter, putting the bulk of summer quarter rush at the bookstore in July rather than June, as is typical. CDC's enrollment has grown closer to planned capacity, and the first revenue from the CCAMPIS grant, enhancing access for parents and supporting other CDC initiatives, was recorded in November, substantially reducing the projected support from other programs as previously reported. Overly ambitious revenue expectations for Bridgeview were not met in the

first half of the fiscal year and plans for the new season are underway. Under new leadership, the Auxiliary enterprises are taking a fresh look at their operations and in planning revised FY09 budgets, are considering the challenges of the national and local economy.

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

The President's Discretionary Fund has a cash balance of \$11,331 at November 30, after disbursements of \$8,669.

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

Foundation contributions are \$334,267 compared to \$244,747 through November last year, primarily due to the pledge received in September of this year. Scholarship expenditures are up from the same time last year due to increases in the amount and number of scholarships awarded this year, preceding the significant declines in the stock market that started in late September. The decrease in Management and General expenditures is primarily the result of not funding mini-grants in order to control expenditures.

5. **Investments**

The College's portfolio is invested consistent with its investment policy, with 23.2% currently invested in STAROhio and other money markets, with the balance in federal agencies.

**COLUMBUS STATE COMMUNITY COLLEGE**  
**BALANCE SHEET AT NOVEMBER 30, 2008**  
 With Comparative Figures at November 30, 2007

EXHIBIT A

<u>Assets</u>	<u>November 30,</u> <u>2008</u>	<u>November 30,</u> <u>2007</u>	<u>Liabilities and Fund Balance</u>	<u>November 30,</u> <u>2008</u>	<u>November 30,</u> <u>2007</u>
<b>Current Funds</b>			<b>Current Funds</b>		
<b>Unrestricted</b>			<b>Unrestricted</b>		
<b>Educational and general</b>			<b>Educational and general</b>		
Cash	\$ 5,718,125	\$ 1,452,004	Accounts payable	\$ 4,208,566	\$ 3,506,847
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	110,552,259	98,865,192	Student tuition	21,552,109	21,396,089
Interest receivable	21,741,652	23,165,393	Lab fees and credit bank	986,815	758,934
Prepaid expense	-	-	Due to restricted funds	-	-
Net investment in Golf Course	241,508	278,276	Due to plant funds	9,545,382	6,073,555
Due from agency funds	-	-	Due to agency funds	580,315	185,618
Due from auxiliary funds	120,615	-	Fund balances (Exhibit C):		
			Allocated	73,975,379	43,627,720
			Unallocated	27,525,593	47,988,504
			Total fund balances	101,500,972	91,616,224
Total educational & general	\$ 138,374,159	\$ 123,760,865	Total educational & general	\$ 138,374,159	\$ 123,760,865
<b>Auxiliary enterprise</b>			<b>Auxiliary enterprise</b>		
Cash	\$ 990,216	\$ 61,661	Accounts payable	\$ 575,452	\$ 742,943
Investments	5,770,211	5,628,697	Due to educational & general fund	120,615	-
Accounts receivable	625,891	498,280			
Inventories, at cost as defined (note 2)	1,416,342	2,353,046	Fund balances (Exhibit D):		
Other Assets	344,879	345,665	Allocated	250,000	-
Due from general fund	-	223,598	Unallocated	8,339,671	8,539,909
Due from grant funds	138,198	171,906	Total fund balances	8,589,671	8,539,909
Total auxiliary enterprise	9,285,737	9,282,852	Total auxiliary enterprise	9,285,737	9,282,852
Total unrestricted	\$ 147,659,896	\$ 133,043,717	Total unrestricted	\$ 147,659,896	\$ 133,043,717
<b>Restricted</b>			<b>Restricted</b>		
Cash	\$ -	\$ -	Due to general fund	\$ -	\$ -
Due from educational & general fund	-	-	Fund balances		
			Unallocated	-	-
Total restricted	-	-	Total restricted	-	-
Total current funds	\$ 147,659,896	\$ 133,043,717	Total current funds	\$ 147,659,896	\$ 133,043,717
	[A]	[B]		[C]	[D]

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

(Continued)

**COLUMBUS STATE COMMUNITY COLLEGE**  
**BALANCE SHEET AT NOVEMBER 30, 2008**  
 With Comparative Figures at November 30, 2007

**EXHIBIT A**  
 (Continued)

	November 30, 2008	November 30, 2007		
<b>Assets</b>			<b>Liabilities and Fund Balance</b>	
<b>Plant funds</b>			<b>Plant funds</b>	(1)
Unexpended			Unexpended	(2)
State appropriations receivable	-	-	Fund balances	(3)
Capital Improvement Fund	1,475,080	2,297,314	Restricted	(4)
Total unexpended	1,475,080	2,297,314	Total unexpended	(5)
Cash from Bond Proceeds	149,379	252,341	Investment in plant:	(6)
Deposit with trustees	2,908	2,866	Interest payable	(7)
Due from general fund	9,545,382	6,073,555	Capital lease payable	(8)
Land	29,674,722	29,674,722	Accounts payable	(9)
Improvements other than buildings	6,338,835	6,243,294	Bonds payable	(10)
Buildings	117,238,951	114,975,378	Deferred Gift Annuity	(11)
Movable equipment, furniture and library books	42,296,124	34,788,864	Net investment in plant	(12)
Construction-in-progress	1,415,455	7,343,848		(13)
Other Assets	286,299	306,881		(14)
Less: accumulated depreciation	(57,915,687)	(53,664,472)		(15)
Total investment in plant	149,032,367	145,997,277	Total investment in plant	(16)
Total plant funds	150,507,446	148,294,592		(17)
			Total plant funds	(18)
				(19)
			<b>Agency funds</b>	(20)
			Deposits held in custody for others	(21)
			Due to educational and general fund	(22)
			Total agency funds	(23)
				(24)
				(25)
				(26)
				(27)
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				(99)
				(100)

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



**EXHIBIT B**

**COLUMBUS STATE COMMUNITY COLLEGE  
OPERATIONAL BUDGET COMPARISON  
FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2008  
With Comparative Figures at November 30, 2007**

	FY 09		FY 08		FY 09 Projected Year End			
	Budget as approved May 2008	Expended to Date (Actual & Encumbrances)	% of Budget Expended to Date	Revised Budget as approved January 2008	Expended to Date (Actual & Encumbrances)	% of Budget Expended to Date	Projected FY 09 Year End Budget	Projected % of Budget
<b>Revenues</b>								
<u>Appropriations</u>								
Subsidy	\$ 52,594,272	\$ 21,914,280	41.67%	\$ 47,389,288	\$ 19,716,360	41.61%	\$ 52,594,272	100.00%
Access Challenge	6,908,952	3,345,084	48.42%	6,751,576	3,375,788	50.00%	6,908,952	100.00%
Student Support Services	-	-	-	-	-	-	-	-
Jobs Challenge	291,607	25,259,364	0.00%	518,836	-	0.00%	291,607	100.00%
	59,794,831	25,259,364	42.24%	54,659,700	23,092,148	42.25%	59,794,831	100.00%
<u>Student</u>								
Tuition	61,890,805	22,624,265	36.56%	59,903,656	21,440,335	35.79%	62,305,339	100.67%
Fees	4,324,579	2,041,305	47.20%	2,096,628	1,933,831	92.24%	4,449,210	102.88%
Special courses	600,000	317,379	52.90%	600,000	250,872	41.81%	606,193	101.03%
	66,815,384	24,982,949	37.39%	62,600,284	23,625,038	37.74%	67,360,742	100.82%
<u>Contracted Services</u>								
Net	255,585	43,091	16.86%	255,585	17,246	6.75%	250,566	98.04%
	255,585	43,091	16.86%	255,585	17,246	6.75%	250,566	98.04%
<u>Other</u>								
Miscellaneous	250,000	29,104	11.64%	250,000	84,681	33.87%	235,251	94.10%
	250,000	29,104	11.64%	250,000	84,681	33.87%	235,251	94.10%
<b>Total revenues</b>	<b>127,115,800</b>	<b>50,314,509</b>	<b>39.58%</b>	<b>117,765,569</b>	<b>46,819,113</b>	<b>39.76%</b>	<b>127,641,390</b>	<b>100.41%</b>
<u>Operating Expenditures</u>								
Educational & general (Instructional)	68,940,008	24,915,515	36.14%	62,850,077	23,385,173	37.21%	68,246,989	98.99%
ERC	1,845,095	731,278	39.63%	1,678,941	672,546	40.06%	1,838,638	99.65%
General	10,811,562	3,608,727	33.38%	10,367,288	3,402,745	32.82%	10,676,621	98.75%
Information Technology	10,550,561	4,514,119	42.79%	9,967,198	4,195,033	42.09%	10,369,018	98.28%
Student Services	10,127,215	3,864,195	38.16%	9,727,258	3,591,484	36.92%	10,107,115	99.80%
Operation and maintenance of plant	13,111,984	4,522,669	34.49%	12,068,735	4,131,966	34.24%	12,986,988	99.14%
Administration	5,929,868	2,218,598	37.41%	5,808,949	1,894,036	32.61%	5,803,945	97.88%
Transfer for debt service	1,548,818	645,341	41.67%	1,406,789	580,523	41.27%	1,548,818	100.00%
	122,865,111	45,020,442	36.64%	113,875,245	41,853,506	36.75%	121,590,132	98.96%
<u>Non-operating &amp; Encumbered</u>								
Transfer for equipment and replacement	3,000,000	See Exhibit C		1,800,000	See Exhibit C		3,000,000	100.00%
Transfer for capital improvements	-	-		2,500,000	-		-	N/A
<b>Total expenditures and transfers</b>	<b>125,865,111</b>	<b>45,020,442</b>	<b>35.77%</b>	<b>118,175,245</b>	<b>41,853,506</b>	<b>35.42%</b>	<b>124,590,132</b>	<b>98.99%</b>
Operational revenues	1,250,689	5,294,067	N/A	(409,676)	4,965,607	N/A	3,051,258	N/A
<b>Total revenues</b>	<b>\$ 1,250,689</b>	<b>\$ 7,194,920</b>	<b>575.28%</b>	<b>\$ 4,800,000</b>	<b>\$ 7,484,993</b>	<b>170.49%</b>	<b>\$ 3,203,831</b>	<b>N/A</b>
	[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 FIVE MONTHS ENDED NOVEMBER 30, 2008

	Balance at June 30, 2008	Net Increase for Current Period	Board Approved Additions	Transfers	Expenditures	Balance at November 30, 2008	
Unrestricted							
Allocated							
Capital Improvements & Land Acquisition	\$ 15,720,817	\$ -	\$ 1,731,797	\$ -	\$ -	\$ 17,452,614	(1)
Carpet/Furniture Reupholstering	60,843	-	139,157	-	(86,843)	113,157	(2)
Bolton Field Site Analysis	33,883	-	-	-	-	33,883	(3)
Utility Mapping	15,444	-	-	-	(2,532)	12,912	(4)
HVAC Replacement/Switch Room	2,509	-	-	-	-	2,509	(5)
Eibling Hall Renovations (CCPC) and Lobby	66,550	-	-	-	-	66,550	(6)
Davidson Hall 229,230	12,091	-	-	-	-	12,091	(7)
Space Efficiency Upgrades	6,471	-	4,993,529	-	(139,499)	4,860,501	(8)
Delaware Site Planning	78,812	-	-	-	(11,392)	67,420	(9)
Wayfinding Services	49,614	-	-	-	(5,652)	43,962	(10)
Project Planning	7,893	-	142,107	-	(23,237)	126,763	(11)
Renovate Union Hall Ground for PC Support	461,925	-	-	-	-	461,925	(12)
Union Hall Renovation	6,013,345	-	500,000	-	-	6,513,345	(13)
Site Development Delaware Campus	4,200,000	-	-	-	(35,574)	4,164,426	(14)
Bookstore/DX Modifications	297,469	-	-	-	-	297,469	(15)
Facilities Infrastructure Improvements	-	-	200,000	-	(15,623)	184,377	(16)
Capital Equipment	4,045,893	-	3,000,000	900,000	(1,335,615)	6,610,278	(17)
Target 2002	333,088	-	-	-	-	333,088	(18)
Collective Bargaining	63,252	-	-	-	-	63,252	(19)
Budget/Tuition Stabilization	12,000,000	-	-	-	-	12,000,000	(20)
Early Retirement Payback	1,595,670	-	-	-	-	1,595,670	(21)
Accumulated Lab Fees	1,742,262	-	-	(569,919)	-	1,172,343	(22)
Broadbanding	460,093	-	-	-	(97,436)	362,657	(23)
Think Again Scholarship	-	-	3,000,000	-	(57,276)	2,942,725	(24)
Teaching and Learning Initiatives	5,000,000	-	-	-	-	5,000,000	(25)
Strategic Growth Initiatives	2,500,000	-	-	-	-	2,500,000	(26)
Technology Initiatives	2,500,000	-	-	-	-	2,500,000	(27)
Human Capacity Development/Wellness	500,000	-	-	-	-	500,000	(28)
Campus Safety Initiatives	2,000,000	-	-	-	-	2,000,000	(29)
Energy Efficiency/Sustainability Initiatives	2,000,000	-	-	-	(603)	1,999,397	(30)
	61,767,924	-	13,706,590	330,081	(17,934)	1,982,066	(31)
Unallocated	33,205,199	6,527,849	(13,706,590)	(330,081)	(1,829,216)	73,975,379	(32)
Total General Fund	94,973,123	6,527,849	-	-	1,829,216	27,525,593	(33)
	[A]	[B]	[C]	[D]	[E]	[F]	

EXHIBIT C-1

**COLUMBUS STATE COMMUNITY COLLEGE  
BOND FUNDED PROJECTS  
FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2008**

	Bond Proceed Allocation	Proceeds Budget	Prior Budget Reallocations **	Budget Reallocation 2009 ***	Proceeds Expended to Date	Bond Proceeds Encumbered	Available to Spend	
Refunding 1993 Bonds	\$ 3,445,000	\$ 3,445,000	\$ 706,227	-	\$ 3,445,000	-	\$ -	(1)
Bookstore	7,000,000	7,000,000	-	-	7,536,044	-	170,183	(2)
Facilities	3,400,000	-	-	-	-	-	-	(3)
Aquinas Hall*	-	1,631,673	(88,521)	-	1,543,740	-	(588)	(4)
366/370 N. Grant*	-	1,760,304	(51,066)	-	1,709,238	-	-	(5)
Unallocated	-	8,022	95,909	(103,931)	-	-	-	(6)
Child Development Center	3,000,000	3,000,000	(891,666)	-	1,965,021	-	143,313	(7)
Columbus Campus Facility Projects	-	-	-	-	-	-	-	(8)
356 N. Grant	-	-	220,000	(6,069)	8,508	-	205,423	(9)
Madison Hall	-	-	62,913	-	68,989	-	(6,076)	(10)
Rhodes Hall	-	-	27,979	-	27,979	-	-	(11)
Franklin Hall Suite Efficiencies	-	-	80,950	-	83,750	-	(2,800)	(12)
Planning	-	-	100,000	-	100,409	-	(409)	(13)
TRIO	-	-	-	48,000	-	-	48,000	(14)
Student Life/Judicial	-	-	-	42,000	-	-	42,000	(15)
K-12 Move	-	-	-	20,000	-	-	20,000	(16)
Issuance Costs	315,000	315,000	(55,830)	-	252,650	-	6,520	(17)
Interest Income	-	-	(206,895)	-	-	-	(70,494)	(18)
Total	\$ 17,160,000	\$ 17,160,000	\$ (0)	\$ -	\$ 16,741,328	\$ -	\$ 555,073	(19)

\* 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 FIVE MONTHS ENDED NOVEMBER 30, 2008  
 With Comparative Figures at November 30, 2007

	FY 09		FY 08		Projected FY 09 Year End Budget	Projected % of Budget
	Budget as approved May 2008	Actual to Date	Revised Budget as approved January 2008	Actual to Date		
<b>Sales/Revenues</b>						
Bookstore	\$ 10,746,362	\$ 4,337,038	\$ 10,239,757	\$ 3,689,450	10,779,869	100.31%
Child Development Center	1,092,795	317,363	812,674	241,226	877,363	80.29%
Food Services	350,150	167,750	369,468	164,103	350,150	100.00%
Bridgeview	584,728	204,296	562,521	244,978	470,832	80.52%
Total Revenues before Grant Activity	12,774,035	5,026,447	11,984,420	4,339,757	12,478,214	97.68%
<b>Cost of Goods Sold</b>						
Bookstore	7,969,239	3,251,815	7,493,757	2,681,353	8,084,902	101.45%
Bridgeview	46,792	22,452	39,570	36,206	46,792	100.00%
Gross Margin	4,758,004	1,752,180	4,451,093	1,622,198	4,346,520	91.35%
<b>Operating Expenses</b>						
Bookstore	2,625,934	887,875	2,503,629	898,076	2,625,934	100.00%
Child Development Center	1,214,363	451,690	1,204,846	501,260	1,070,248	88.13%
Food Services	81,750	27,137	38,013	90	81,750	100.00%
Bridgeview	541,772	199,363	535,532	225,290	520,052	95.99%
Total Expenses before Grant Activity	4,463,818	1,566,085	4,282,020	1,624,716	4,237,983	96.28%
Auxiliary Net Operating Income/(Loss)	294,186	186,095	169,073	(2,518)	48,537	16.50%
Grant Income	-	26,541	193,633	5,045	26,541	0.00%
Grant Expense	-	26,541	193,633	5,045	26,541	0.00%
Net Grant Income/(Loss)	-	-	-	-	-	-
<b>Net Income/(Loss)</b>						
Bookstore	151,189	197,348	242,371	110,021	69,033	45.66%
CDC	(121,568)	(134,327)	(392,172)	(260,034)	(192,885)	158.66%
Food Services	268,400	140,613	331,455	164,013	268,400	100.00%
Bridgeview	(3,836)	(17,539)	(12,581)	(16,518)	(96,012)	2502.92%
Net Auxiliary Income/(Loss)	294,185	186,095	169,073	(2,518)	48,536	16.50%
Auxiliary Fund Balance at June 30, 2008		8,403,576		8,542,427		
Board Approved Additions		-		-		
Transfers		-		-		
Auxiliary Fund Balance at November 30, 2008	\$	8,589,671	\$	8,539,909		

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 NOVEMBER 30, 2008**

	Actual June 2008	Actual July 2008	Actual August 2008	Actual September 2008	Actual October 2008	Actual November 2008	
Beginning Cash	\$ 3,398,964	\$ 12,504,339	\$ 2,875,279	\$ 6,212,701	\$ 18,019,161	\$ 839,220	(1)
Cash Receipts	15,683,104	6,627,536	10,105,369	24,218,055	10,758,364	10,162,125	(2)
Cash Disbursements	(11,577,729)	(12,256,596)	(10,767,947)	(12,411,595)	(15,938,305)	(10,767,317)	(3)
Outflow for investments	-	(4,000,000)	-	-	(12,000,000)	-	(4)
Inflow from investments	5,000,000	-	4,000,000	-	-	5,000,000	(5)
Ending Cash	\$ 12,504,339	\$ 2,875,279	\$ 6,212,701	\$ 18,019,161	\$ 839,220	\$ 5,234,028	(6)

	Forecasted December 2008	Forecasted January 2009	Forecasted February 2009	Forecasted March 2009	Forecasted April 2009	Forecasted May 2009	
Beginning Cash	\$ 5,234,028	\$ 4,626,884	\$ 4,017,740	\$ 3,295,573	\$ 4,573,406	\$ 3,851,239	(7)
Cash Receipts	25,392,856	9,390,856	11,277,833	27,277,833	11,277,833	11,168,442	(8)
Cash Disbursements	(14,000,000)	(15,000,000)	(12,000,000)	(14,000,000)	(12,000,000)	(12,000,000)	(9)
Outflow for investments	(17,000,000)	-	-	(12,000,000)	-	-	(10)
Inflow from investments	5,000,000	5,000,000	-	-	-	-	(11)
Ending Cash	\$ 4,626,884	\$ 4,017,740	\$ 3,295,573	\$ 4,573,406	\$ 3,851,239	\$ 3,019,681	(12)
	[A]	[B]	[C]	[D]	[E]	[F]	

**COLUMBUS STATE COMMUNITY COLLEGE  
PRESIDENT'S DISCRETIONARY FUND  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2008**

EXHIBIT F

Cash at Beginning of Period		\$ <u>2,716</u>	(1)
			(2)
<u>Receipts:</u>			(3)
			(4)
Deposit	17,284	17,284	(5)
			(6)
			(7)
<u>Disbursements:</u>			(8)
American Red Cross	1,500		(9)
Children's Hunger Alliance	1,500		(10)
Choices	1,000		(11)
Columbus Housing	150		(12)
Columbus International Program	100		(13)
Columbus Metro Library Foundation	1,000		(14)
Flowers	937		(15)
Goodwill Extraordinary People	150		(16)
House of Hope	250		(17)
M. Valeriana Moeller for Cols. Metro Club Dinner	20		(18)
Ohio College Access Network	50		(19)
Prevent Blindness Ohio	250		(20)
Tech Columbus	387		(21)
The Gathering	1,250		(22)
Thurber House	125		(23)
		<u>8,669</u>	(24)
		<u>\$ 11,331</u>	(25)
	[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 NOVEMBER 30, 2008**  
**With Comparative Figures at November 30, 2007**

<u>Assets</u>	<u>November 30, 2008</u>	<u>November 30, 2007</u>	
Cash	\$ 382,060	\$ 278,211	(1)
Investments at market value (see note)	3,217,912	4,430,914	(2)
Pledges Receivable	523,569	425,409	(3)
Student Emergency Loans restricted - Net	<u>1,297</u>	<u>1,297</u>	(4)
			(5)
Total Assets	<u>\$ 4,124,838</u>	<u>\$ 5,135,831</u>	(6)
<u>Liabilities</u>			
Due to general fund	\$ 81,720	\$ 69,479	(7)
Pledge Payable	73,319	-	(8)
Trade Payables	<u>-</u>	<u>-</u>	(9)
Total Liabilities	<u>155,039</u>	<u>69,479</u>	(10)
			(11)
<u>Fund balance</u>			
Permanently Restricted	3,279,462	3,166,124	
Temporarily Restricted	1,644,650	1,832,057	(12)
Unrestricted	<u>(954,313)</u>	<u>68,171</u>	(13)
			(14)
Total fund balance	<u>3,969,799</u>	<u>5,066,352</u>	(15)
			(16)
Total Liabilities and fund balance	<u>\$ 4,124,838</u>	<u>\$ 5,135,831</u>	(17)
	[A]	[B]	(18)
			(19)

**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	\$ 396,057	\$ 396,057	12.31%
Equities	2,090,539	1,620,392	50.36%
Fixed Income	176,274	177,076	5.50%
Mutual Funds	<u>1,108,013</u>	<u>1,024,387</u>	<u>31.83%</u>
Total Investments	<u>\$ 3,770,883</u>	<u>\$ 3,217,912</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 FIVE MONTHS ENDED NOVEMBER 30, 2008**

	November 30, 2008			November 30, 2007	
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Revenue					
Contributions	\$ 103,649	\$ 219,857	\$ 10,761	\$ 244,747	(1)
Investment Income					(2)
Realized	(267,326)	(25,053)	-	53,618	(3)
Unrealized	(606,975)	(66,162)	-	(32,954)	(4)
Investment income-subtotal	(874,301)	(91,215)	-	20,664	(5)
Total revenues	(770,652)	128,642	10,761	265,411	(6)
Expenditures					
Scholarships	-	139,955	-	139,100	(7)
Contributions to Columbus State Management and general	82,032	-	-	-	(8)
Total expenditures	82,032	139,955	-	185,073	(9)
				324,173	(10)
Excess (deficit) of revenues over expenditures	(852,684)	(11,313)	10,761	(853,236)	(11)
Transfers	-	-	-	-	(12)
Fund balance at beginning of period	(954,313)	1,644,650	3,279,462	5,125,114	(13)
Fund balance at end of period	(1,806,997)	1,633,337	3,290,223	5,066,352	(14)
	(A)	(B)	(C)	(D)	(15)

(1) Unrealized income/(loss) is a result of increases/(decreases) in underlying assets as opposed to cash.



**COLUMBUS STATE COMMUNITY COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AS OF NOVEMBER 30, 2008**

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	\$ 24,473,735	\$ 24,473,735	1.98%	1
STAR Ohio/Plant	1,317,486	1,317,486	1.98%	1
STAR Ohio/Auxiliary	529,395	529,395	1.98%	1
CSCC Operating Fund 1	47,915,086	48,592,067	1.09%	176
CSCC Operating Fund 2	32,186,833	32,511,368	3.33%	679
Bond Proceeds	476,245	476,245	1.09%	1
Auxiliary Services	5,177,419	5,240,816	3.09%	620
Plant Fund	4,495,312	4,540,195	3.22%	639
	<u>\$ 116,571,511</u>	<u>\$ 117,681,308</u>		

\* Weighted

<u>Portfolio Composition</u>	<u>Type</u>	<u>% of Total</u>
	STAR Ohio	22.37%
	Agencies	76.83%
	Cash & Equivalents	0.81%
		100.00%

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.