

COLUMBUS STATE COMMUNITY COLLEGE
A COMPONENT UNIT OF THE STATE OF OHIO

ANNUAL REPORT
Franklin County
Single Audit

June 30, 2001 and 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398

Board of Trustees
Columbus State Community College

We have reviewed the Independent Auditor's Report of the Columbus State Community College, Franklin County, prepared by Crowe, Chizek and Company LLP for the audit period July 1, 2000 through June 30, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

December 14, 2001

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COLUMBUS STATE COMMUNITY COLLEGE
Franklin County

ANNUAL REPORT
June 30, 2001 and 2000

CONTENTS

REPORT OF INDEPENDENT AUDITORS	1
GENERAL-PURPOSE FINANCIAL STATEMENTS	
BALANCE SHEETS	3
STATEMENTS OF CHANGES IN FUND BALANCES	4
STATEMENTS OF CURRENT FUND, REVENUE, EXPENDITURES AND OTHER CHANGES.....	5
NOTES TO FINANCIAL STATEMENTS.....	6
SUPPLEMENTARY INFORMATION	
BALANCE SHEET – CURRENT FUNDS	19
SCHEDULE OF CURRENT REVENUES – EDUCATIONAL AND GENERAL	20
SCHEDULE OF CURRENT EXPENDITURES – EDUCATIONAL AND GENERAL.....	21
STATEMENT OF AUXILIARY OPERATIONS	23
SCHEDULE OF DEVELOPMENT FOUNDATION OPERATIONS	24
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	25
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	26
REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	27
REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	29



REPORT OF INDEPENDENT AUDITORS

Board of Trustees
Columbus State Community College
Columbus, Ohio

We have audited the accompanying general-purpose financial statements of Columbus State Community College (the College), a component unit of the State of Ohio, as of and for the years ended June 30, 2001 and 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of College's management. Our responsibility is to express an opinion on these general-purpose 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 general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the College as of June 30, 2001 and 2000, and the changes in its fund balances and current fund revenues, expenditures and other changes for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The supplementary information beginning on page 18 is presented for purposes of additional analysis of the general-purpose financial statements rather than to present the

financial position, changes in fund balances and current fund revenues, expenditures and other changes of the individual funds. This information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relations to the general-purpose financial statements taken as a whole.

In accordance with *Governmental Auditing Standards*, we also issued our report dated September 27, 2001 on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the College taken as a whole. 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 general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.



Crowe, Chizek and Company LLP

Columbus, Ohio
September 27, 2001

COLUMBUS STATE COMMUNITY COLLEGE
BALANCE SHEETS
June 30, 2001 and 2000

	Current Funds								Agency Funds		Annuity Fund		Component Unit Development Foundation	
	Unrestricted		Restricted		Loan Funds		Plant Funds		2001	2000	2001	2000	2001	2000
	2001	2000	2001	2000	2001	2000	2001	2000						
ASSETS														
Cash and cash equivalents	\$ 49,794,689	\$ 51,947,371			\$ 25,279	\$ 12,055	\$ 12,016	\$ 3,248	\$ 71,695	\$ 11,874			\$ 209,385	\$ 166,853
Investments	8,378,972	1,903,293					1,243,783	726,530					2,799,573	2,875,980
Accounts receivable, net	3,851,455	4,168,057											9,432	
Other receivables							598,508		1,491,221	276,278				
Notes receivable					398,721	444,818							1,947	10,082
Accrued interest receivable	230,424	466,429												
Inventories	1,570,881	1,525,892												
Deposits with trustees							447,440	464,849						
Investment in plant							125,492,411	119,961,408						
Investment in golf course		39,704									\$ 4,100,000	\$ 4,100,000		
Interfund receivables	4,028,747	2,731,849	\$ 151,890	\$ 153,979			618,612	652,682		1,746,610	14,167	4,167		
Total assets	\$ 67,855,168	\$ 62,782,595	\$ 151,890	\$ 153,979	\$ 424,000	\$ 456,873	\$ 128,412,770	\$ 121,808,717	\$ 1,562,916	\$ 2,034,762	\$ 4,114,167	\$ 4,104,167	\$ 3,020,337	\$ 3,052,915
LIABILITIES AND FUND BALANCE														
Accounts payable – trade	\$ 1,741,276	\$ 1,422,183					\$ 77,619	\$ 77,619						
Accounts payable - other	384,627	775,551												
Compensated absences	1,831,817	1,367,563												
Accrued payroll liabilities	1,511,160	1,234,745												
Interfund payables	4,103,361	5,285,120					14,167	4,167	\$ 695,888					
Accrued interest							57,897	60,652						
Deferred income	5,938,517	5,037,922											\$ 37,500	\$ 117,500
Deposits									867,028	\$ 2,034,762				
Capital lease obligation							376,412	548,529						
Bonds payable							12,845,000	13,560,000						
Annuity payable											\$ 2,490,000	\$ 2,400,000		
Total liabilities	15,510,758	15,123,084					13,371,095	14,250,967	1,562,916	2,034,762	2,490,000	2,400,000	37,500	117,500
FUND BALANCE														
Unrestricted – allocated	25,064,157	21,801,595												
Unrestricted – unallocated	27,280,253	25,857,916											350,495	1,037,746
Restricted			\$ 151,890	\$ 153,979	\$ 424,000	\$ 456,873	\$ 1,842,291	726,530					863,659	539,754
Endowment													1,768,683	1,357,915
Investment in plant							113,199,384	106,831,220			1,624,167	1,704,167		
Total fund balance	52,344,410	47,659,511	151,890	153,979	424,000	456,873	115,041,675	107,557,750			1,624,167	1,704,167	2,982,837	2,935,415
Total liabilities and fund balance	\$ 67,855,168	\$ 62,782,595	\$ 151,890	\$ 153,979	\$ 424,000	\$ 456,873	\$ 128,412,770	\$ 121,808,717	\$ 1,562,916	\$ 2,034,762	\$ 4,114,167	\$ 4,104,167	\$ 3,020,337	\$ 3,052,915

See accompanying notes to financial statements.

COLUMBUS STATE COMMUNITY COLLEGE
STATEMENTS OF CHANGES IN FUND BALANCES
Years ended June 30, 2001 and 2000

	<u>Current Funds</u>						<u>Loan Funds</u>		<u>Plant Funds</u>		<u>Annuity Fund</u>		<u>Component Unit</u>	
	<u>Unrestricted</u>		<u>Restricted</u>		<u>Total Current Funds</u>				<u>Investment in Plant</u>				<u>Development Foundation</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenue and other additions														
Unrestricted current fund revenue	\$ 90,573,305	\$ 86,949,629			\$ 90,573,305	\$ 86,949,629								
State appropriations and grants – restricted			\$ 2,533,521	\$ 2,288,421	2,533,521	2,288,421			\$ 449,944	\$ 449,944				
Federal grants and contracts – restricted			8,159,429	6,112,843	8,159,429	6,112,843								
Private gifts, grants and contracts – restricted			271,175	122,689	271,175	122,689					\$ 1,700,000	\$ 851,727	\$ 926,770	
Interest and adjustments on loans							\$ 3,038	\$ 9,089	18,461					
Investment income – restricted													(365,818)	219,712
Other additions									67,309	61,101				
Plant fund revenue									598,508		\$ 270,000	112,500		
Expended for plant facilities (includes \$4,777,586 and \$6,340,880 charged to current fund expenditures for 2001 and 2000)									5,495,176	7,089,409				
Total revenues and other additions	90,573,305	86,949,629	10,964,125	8,523,953	101,537,430	95,473,582	3,038	9,089	6,629,398	7,600,454	\$ 270,000	\$ 1,812,500	485,909	1,146,482
Expenditures and other deductions														
Educational and general expenditures	76,014,095	70,777,243	10,966,214	8,510,128	86,980,309	79,287,371							438,487	725,286
Auxiliary enterprises	8,294,486	6,663,040			8,294,486	6,663,040								
Other expenditures	7,708	13,483			7,708	13,483								
Loan cancellations & write-offs							40,000	75,548						
Administration and collection cost							(4,089)	663						
Payments to annuitants											350,000	108,333		
Expended for plant facilities									717,590	748,529				
Total expenditures and other deductions	84,316,289	77,453,766	10,966,214	8,510,128	95,282,503	85,963,894	35,911	76,211	717,590	748,529	350,000	108,333	438,487	725,286
Transfers among fund-additions (deductions)														
Mandatory														
Debt services	(1,400,000)	(1,400,000)			(1,400,000)	(1,400,000)			1,400,000	1,400,000				
Computer leases payable	(172,117)	(154,645)			(172,117)	(154,645)			172,117	154,645				
Total transfers	(1,572,117)	(1,554,645)			(1,572,117)	(1,554,645)			1,572,117	1,554,645				
Net increase (decrease) for the year	4,684,899	7,941,218	(2,089)	13,825	4,682,810	7,955,043	(32,873)	(67,122)	7,483,925	8,406,570	(80,000)	1,704,167	47,422	421,196
Fund balances, beginning of year	47,659,511	39,718,293	153,979	140,154	47,813,490	39,858,447	456,873	523,995	107,557,750	99,151,180	1,704,167		2,935,415	2,514,219
Fund balances, end of year	<u>\$ 52,344,410</u>	<u>\$ 47,659,511</u>	<u>\$ 151,890</u>	<u>\$ 153,979</u>	<u>\$ 52,496,300</u>	<u>\$ 47,813,490</u>	<u>\$ 424,000</u>	<u>\$ 456,873</u>	<u>\$115,041,675</u>	<u>\$ 107,557,750</u>	<u>\$ 1,624,167</u>	<u>\$ 1,704,167</u>	<u>\$ 2,982,837</u>	<u>\$ 2,935,415</u>

See accompanying notes to financial statements.

COLUMBUS STATE COMMUNITY COLLEGE
STATEMENTS OF CURRENT FUND, REVENUE, EXPENDITURES AND OTHER CHANGES
Years ended June 30, 2001 and 2000

	Unrestricted				Unrestricted		Restricted		Total Current Funds	
	Educational and General		Auxiliary		Total Unrestricted		Educational and General		Total Current Funds	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Revenues and other additions										
Educational and general										
Tuition, fees and other student charges	\$ 35,396,072	\$ 35,061,822			\$ 35,396,072	\$ 35,061,822			\$ 35,396,072	\$ 35,061,822
State appropriations	41,371,863	39,229,674			41,371,863	39,229,674			41,371,863	39,229,674
Federal grants and contracts							\$ 8,159,429	\$ 6,112,843	8,159,429	6,112,843
State grants and contracts							2,533,521	2,288,421	2,533,521	2,288,421
Private gifts, grants and contracts	1,669,087	2,400,221			1,669,087	2,400,221	271,175	122,689	1,940,262	2,522,910
Sales and services	12,311	7,568	\$ 8,615,053	\$ 7,134,047	8,627,364	7,141,615			8,627,364	7,141,615
Interest income	3,036,664	2,569,908			3,036,664	2,569,908			3,036,664	2,569,908
Other sources	457,015	539,067			457,015	539,067			457,015	539,067
Other additions										
President's discretionary fund revenues	15,240	7,322			15,240	7,322			15,240	7,322
Total revenues and other additions	81,958,252	79,815,582	8,615,053	7,134,047	90,573,305	86,949,629	10,964,125	8,523,953	101,537,430	95,473,582
Expenditures and other deductions										
Educational and general										
Instructional and department research	38,815,007	35,261,754			38,815,007	35,261,754			38,815,007	35,261,754
Public service	1,935,384	2,988,510			1,935,384	2,988,510			1,935,384	2,988,510
Academic support	2,812,982	2,274,003			2,812,982	2,274,003			2,812,982	2,274,003
Student services	7,450,070	6,679,402			7,450,070	6,679,402			7,450,070	6,679,402
Institutional support	12,550,638	11,747,868			12,550,638	11,747,868			12,550,638	11,747,868
Operation and maintenance of plant	12,450,014	11,825,706			12,450,014	11,825,706			12,450,014	11,825,706
Scholarships and fellowships							10,966,214	8,510,128	10,966,214	8,510,128
Total educational and general expenditures	76,014,095	70,777,243			76,014,095	70,777,243	10,966,214	8,510,128	86,980,309	79,287,371
President's discretionary fund expenses	7,708	13,483			7,708	13,483			7,708	13,483
Auxiliary enterprises expenses			8,294,486	6,663,040	8,294,486	6,663,040			8,294,486	6,663,040
Transfer-additions (deductions)										
Mandatory	(1,491,231)	(1,513,397)	(80,886)	(41,248)	(1,572,117)	(1,554,645)			(1,572,117)	(1,554,645)
Nonmandatory	(103,305)	(103,305)	103,305	103,305						
Total expenditures and transfers	77,616,339	72,407,428	8,272,067	6,600,983	85,888,406	79,008,411	10,966,214	8,510,128	96,854,620	87,518,539
Net increase (decrease) in fund balance	\$ 4,341,913	\$ 7,408,154	\$ 342,986	\$ 533,064	\$ 4,684,899	\$ 7,941,218	\$ (2,089)	\$ 13,825	\$ 4,682,810	\$ 7,955,043

See accompanying notes to financial statements.

COLUMBUS STATE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2001 and 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Organization: In 1967, Columbus State Community College (the College) became part of the State of Ohio higher education system and was chartered as the Columbus Technical Institute. In 1986, the College was established as a college district by the Ohio Board of Regents. On July 1, 1987, the College was granted a provision charter as a state community college, which was made permanent on September 10, 1993. As such, the College is one of the state-supported colleges and universities in Ohio. The College is a component unit of the primary reporting entity of the State of Ohio.

Accrual Basis: The financial statements of the College are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America for state-assisted colleges and universities. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recognized when incurred, without regard to the time of receipt or payment. The statement of current fund revenues, expenditures and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operation or the net income or loss as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amount so provided are accounted for as (1) expenditures, in the case of normal replacement of moveable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest and equipment renewal and replacement; and, (3) as transfers of a nonmandatory nature for all other cases.

Fund Accounting: In order to ensure observance of limitations and restrictions placed on the use of the resources available to the College, its accounts are maintained in accordance with the principles of “fund accounting.” This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with the activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly all financial transactions have been recorded and reported by fund group.

COLUMBUS STATE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2001 and 2000

Within each fund group, fund balances restricted by outside sources are so indicated or distinguished from unrestricted funds allocated to specific purposes by actions of the Board of Trustees. Externally restricted funds may only be used in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the Board of Trustees retains full control to use on achieving any of its institutional purposes. All accounts are classified into the following groups:

- Current Funds
- Loan Funds
- Plant Funds
- Annuity Funds
- Agency Funds

Current funds are available for current operations and are subdivided as follows:

Educational and General funds are unrestricted and available for general operating purposes.

Auxiliary Enterprise funds are available for the operation of the bookstore, childcare center and golf course.

Restricted funds are available for current operating purposes but only in compliance with restrictions specified by donors or grantors.

Loan funds are available for loans to students. Loans granted are receivables until repaid, at which time such monies are then available for new loans.

Plant funds include two self-balancing subgroups:

Unexpended funds include resources derived from various sources to finance the acquisition of long-life assets.

Investment in Plant includes all long-life assets in the service of the College and construction in progress. Physical properties, which include land, buildings, improvements, equipment and library books, are principally stated at cost. In accordance with generally accepted accounting principles for colleges and universities, depreciation is not provided.

To the extent current funds are used to finance plant assets, the amounts so provided are accounted for (a) as expenditures of current funds and additions to property and

COLUMBUS STATE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2001 and 2000

equipment in plant funds, in the case of moveable equipment and capital projects; (b) as mandatory transfers, in the case of required provisions for debt amortization and interest; and, (c) as transfers of a nonmandatory nature in other cases.

Annuity funds include the private gifts and annuitant expenses of the donors and annuitants.

Agency funds include resources held by the College on behalf of others in the capacity of custodian or fiscal agents.

Cash and Investments: Cash consists primarily of petty cash, cash held in demand accounts and time deposits maturing within one year. Investments consist primarily of overnight repurchase agreements.

Investments in debt securities that are not classified as held-to-maturity and equity securities that have readily determinable fair values are carried on the College's books at their market values at June 30, 2001 and 2000. All other investments are carried at amortized cost which, including accrued interest, approximate market value. Securities received as a gift are recorded at fair market value at the date of the gift.

Inventories: The College's inventories consist principally of books and supplies of the bookstore. Bookstore inventories are stated at the lower of cost or market basis (first-in, first-out).

Deferred Income: Deferred credits in the current unrestricted fund are principally comprised of receipts relating to tuition and lab fees received in advance of services to be provided. The College recognizes tuition and lab fee revenue over the academic quarter for which these receipts relate.

Allocated Fund Balance: As of June 30, 2001 and 2000, the Board of Trustees had allocated \$25,064,157 and \$21,801,595 of unrestricted fund balance to cover the cost of specific projects.

Gifts and Pledges: Gifts are recorded when received. Gifts pledged are not included in the financial statements because it is not practicable to determine the net realizable value or period of collection.

Government Grants and Contracts: Government grants and contracts with the College normally provide for the recovery of direct costs and indirect costs. The College recognizes revenue associated with direct costs as incurred. There was no indirect cost recovery for these programs. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

COLUMBUS STATE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2001 and 2000

Development Foundation: The Development Foundation operates under a separate board exclusively to generate, receive, hold, invest, manage and allocate funds and property for the advancement, achievement and support of the educational programs and services of the College and its beneficiaries (students and the community). The Development Foundation has been included in the College's financial statements as a component unit of the College.

The Columbus State Community College Development Foundation, Inc. (the Development Foundation) is a not-for-profit Ohio corporation formed in 1982.

President's Discretionary Fund: The President's Discretionary Fund is a separate fund from the operating and capital funds. The source of funds is from other than public (governmental) monies or student fees, as specified by the Board of Trustees. Expenditures are to promote or enhance the College's image, educational programs, operations, entertainment, contributions and other appropriate expenditures not provided for in the College's operating budget. For purposes of presentation, the activities of the President's Discretionary Fund have been included with unrestricted fund activities.

Income Taxes: The College is exempt from income taxes as a political subdivision under federal income tax laws and regulations of the Internal Revenue Service.

NOTE 2 - CASH AND CASH EQUIVALENTS

In accordance with Statement No. 3 of the Government Accounting Standards Board, cash deposits are categorized to give an indication of the level of risk assumed by the College. The categories are as follows:

- Category 1 - Insured or collateralized with securities held by the College or by its agent in the College's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the College's name.
- Category 3 - Uncollateralized.

COLUMBUS STATE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2001 and 2000

As of June 30, 2001:

<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Balance per Bank Risk Category</u>		
		<u>1</u>	<u>2</u>	<u>3</u>
\$ 50,113,064	\$ 49,646,128	\$ 200,000	\$ 49,446,128	

The difference between cash carrying amount and bank balance represents normal reconciling items (outstanding checks, cash on hand and deposits in transit). Of the total cash in bank accounts, \$8,113,064 was held in demand accounts and \$42,000,000 was in certificates of deposit.

NOTE 3 - INVESTMENTS

Statement No. 3 of the Government Accounting Standards Board requires government entities to categorize investments to give an indication of the level of risk assumed by the entity at year-end. These categories follow:

- Category 1 - Investments that are insured or registered, or for which securities are held by the College or its agent in the name of the College.
- Category 2 - Investments that are uninsured and unregistered, with securities held by the broker's trust department or agent in the College's name.
- Category 3 - Investments that are uninsured and unregistered, with the securities held by the broker or dealer, or by its trust department or agent, but not in the College's name.

The following summarizes the carrying value and fair value of investments at June 30, 2001 and 2000:

	<u>Cost</u>	<u>Carrying Value</u>	<u>Fair Value</u>
June 30, 2001			
Overnight repurchase agreement	\$ 8,378,972	\$ 8,378,972	\$ 8,378,972
Common and preferred stock	1,259,370	1,609,377	1,609,377
Bonds due beyond one year	697,760	730,652	730,652
Money market funds	458,787	459,544	459,544
Star Ohio	<u>1,243,783</u>	<u>1,243,783</u>	<u>1,243,783</u>
Total investments	<u>\$ 12,038,672</u>	<u>\$ 12,422,328</u>	<u>\$ 12,422,328</u>

COLUMBUS STATE COMMUNITY COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2001 and 2000

June 30, 2000

Overnight repurchase agreement	\$ 1,903,293	\$ 1,903,293	\$ 1,903,293
Common and preferred stock	893,909	1,708,169	1,708,169
Bonds due beyond one year	792,509	788,501	788,501
Money market funds	379,310	379,310	379,310
Star Ohio	<u>726,530</u>	<u>726,530</u>	<u>726,530</u>
Total investments	<u>\$ 4,695,551</u>	<u>\$ 5,505,803</u>	<u>\$ 5,505,803</u>

The collateral for the repurchase agreement, which consists of U.S. Government securities, is held by the Federal Reserve Bank of Cleveland in the member bank's name (Category 3). The Star Ohio investment account is an external investment pool. Oversight of the pool is through the Treasurer of State. The fair value of the College's position in the pool is the same as the value of its pool share. Such investments are not required to be categories in accordance with Government Accounting Standards Board Statement No. 3. All other investments are Category 1.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2001 and 2000 are net of allowance for doubtful accounts as summarized below:

	<u>2001</u>	<u>2000</u>
Accounts receivable, gross	\$ 5,217,947	\$ 5,326,840
Allowance for doubtful accounts	<u>(1,357,060)</u>	<u>(1,158,783)</u>
Accounts receivable, net	<u>\$ 3,860,887</u>	<u>\$ 4,168,057</u>

NOTE 5 - NOTES RECEIVABLE

Notes receivable (net allowance for doubtful accounts of \$20,050 and \$5,711, as of June 30, 2001 and 2000, respectively) primarily represent Perkins loans outstanding. The fund balances related to this program principally represent advances that are ultimately refundable to the federal government.

COLUMBUS STATE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2001 and 2000

NOTE 6 – INVESTMENT IN PLANT

The June 30, 2001 and 2000 investment in plant consists of the following:

	<u>2001</u>	<u>2000</u>
Land	\$ 18,071,024	\$ 19,277,319
Improvements other than buildings	5,178,819	4,713,491
Buildings	71,843,829	63,278,402
Moveable equipment and furniture	28,689,551	28,216,460
Construction in-progress	<u>1,709,188</u>	<u>4,475,736</u>
Total	<u>\$ 125,492,411</u>	<u>\$ 119,961,408</u>

NOTE 7 – BONDS PAYABLE

Bonds payable at June 30, 2001 and 2000 consist of the following:

	<u>Original Issuance Amount</u>	<u>Bond Interest Rates</u>	<u>2001</u>	<u>2000</u>
Series 1993 due serially through 2010	\$ 6,565,000	3.95 - 5.00%	\$ 4,105,000	\$ 4,470,000
Series 1997 due serially through 2016	9,995,000	3.95 – 5.75%	<u>8,740,000</u>	<u>9,090,000</u>
			<u>\$ 12,845,000</u>	<u>\$ 13,560,000</u>

Principal and interest amounts due within each of the next five years and thereafter on obligations outstanding at June 30, 2001 are as follows:

Years Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 730,000	\$ 686,360
2003	770,000	651,103
2005	810,000	613,080
2006	830,000	572,463
2007	885,000	527,863
2008 and thereafter	<u>8,820,000</u>	<u>2,611,281</u>
Total	<u>\$ 12,845,000</u>	<u>\$ 5,662,150</u>

COLUMBUS STATE COMMUNITY COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2001 and 2000

The bonds are serviced by the general receipts of the College, except for receipts expressly excluded as stated in the trust indentures dated November 1, 1993 and April 1, 1997.

At the sole option of the College, the Series 1993 and 1997 bonds maturing on or after June 1, 2004 and December 1, 2007, respectively, are subject to prior redemption, in whole on any date or in part (in integral multiples of \$5,000). The following summarizes redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date:

<u>Redemption Dates (inclusive)</u>	<u>Redemption Price</u>
Series 1993	
6/1/2003 to 5/31/2004	102%
6/1/2004 to 5/31/2005	101%
6/1/2005 and thereafter	100%
Series 1997	
12/1/2007 to 11/30/2008	101%
12/1/2008 and thereafter	100%

The Series 1993 and 1997 bonds maturing on June 1, 2010 and December 1, 2016, respectively, in the aggregate principal amount of \$1,550,000 and \$4,205,000, respectively (the "Term Bonds"), are also subject to mandatory sinking-fund redemption in part by lot pursuant to the terms of the First Supplement Trust Agreement.

The mandatory sinking fund redemptions will occur at a redemption price equal to 100% of the principal amount redeemed plus interest accrued to the redemption date, without premium, and according to the following schedules:

<u>Year</u>	<u>Series 1993</u>	<u>Series 1997</u>
2008	\$ 500,000	
2009	515,000	
2010	535,000	
2011		\$ 610,000
2012		640,000
2013		680,000
2014		715,000
2015		760,000
2016		800,000

COLUMBUS STATE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2001 and 2000

Term bonds redeemed other than by mandatory redemption, or purchases for cancellation, may be credited against the applicable mandatory redemption requirements.

NOTE 8 – LEASES

The institution had certain lease agreements in effect for data processing and other equipment, with a carrying value of approximately \$474,000 as of June 30, 2001 and 2000, which are considered capital leases. These agreements had ending dates ranging through March 2005 and had imputed interest rates ranging from 4.8% to 6.8%.

For fiscal year 2001, the interest portion of the lease payment of \$26,548 is included in the instructional support category of the education and general expenditures. Correspondingly, the reduction of the principal portion of the lease payment of \$172,117 during the fiscal year is shown as a mandatory transfer from the current fund to the plant fund.

Future minimum-lease payments under these capital leases are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 182,645	\$ 16,020	\$ 198,665
2003	104,109	6,817	110,926
2004	76,537	2,707	79,244
2005	<u>13,121</u>	<u>81</u>	<u>13,202</u>
	<u>\$ 376,412</u>	<u>\$ 25,625</u>	<u>\$ 402,037</u>

The College also leases classroom space for its off-campus sites under operating leases, which have ending dates ranging through December 2007. Future minimum lease payments under operating leases at June 30, 2001 are as follows:

2002	\$ 337,908
2003	337,908
2004	337,908
2005	337,908
2006	168,954

COLUMBUS STATE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2001 and 2000

NOTE 9 – STATE SUPPORT

The College is a state-assisted institution of higher education that receives a student enrollment-based instructional subsidy from the State of Ohio. This subsidy is determined annually based on a formula devised by the Ohio Board of Regents adjusted to state resources available.

In addition to the current operating subsidies, the State of Ohio provides the funding for and constructs major plant facilities on the College's campus. The funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission (OPFC), which in turn initiates the construction and subsequent lease of the facility by the Ohio Board of Regents. Such facilities are reflected as buildings or construction in progress in the accompanying balance sheet.

Neither the obligation for the revenue bonds issued by OPFC nor the annual debt service charges for principal and interest on bonds are reflected in the College's financial statements. The debt service is funded through appropriations to the Ohio Board of Regents by the General Assembly.

The facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund and future payments to be received by such fund, which is established in the custody of the Treasurer of State of Ohio.

NOTE 10 – CAPITAL PROJECTS COMMITMENTS

At June 30, 2001, the College was committed to future capital expenditures as follows:

Contractual commitments	
Parking Garage	\$ 135,000
Spring Street Bridge	118,790
Infrastructure	43,571
Academic Center C	8,921,140
Vet Tech Building Renovation	1,222,700
Physical Plant Building	<u>225,956</u>
Total future project costs	<u>\$10,667,157</u>

COLUMBUS STATE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2001 and 2000

NOTE 11 – RETIREMENT PLANS

The College's faculty is covered by State Teachers Retirement System of Ohio (STRS). Substantially all other employees are covered by the School Employees Retirement System of Ohio (SERS). These retirement programs are statewide cost sharing multiple employer defined benefit pension plans. They provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefits are established by State statute. STRS and SERS issue separate, publicly available financial reports that include financial statements and required supplementary information. The SERS report may be obtained by writing to SERS, 45 N. Fourth Street, Columbus, Ohio 43215 or by calling (614) 222-5853. The STRS report may be obtained by calling 1-800-365-3469.

The Ohio Revised Code provides STRS and SERS statutory authority for employee and employer contributions. The required, actuarially-determined contribution rates for plan members and the College for 2000 (date of most recent information available) were 9.3% and 14% covered payroll, for STRS respectively, and 9% and 14% of covered payroll for SERS, respectively.

The College's contributions, which represent 100% of the required contributions, for the year ended June 30, 2001 and for each of the two preceding years is as follows:

	STRS Annual Required <u>Contributions</u>	SERS Annual Required <u>Contributions</u>
2001	\$ 3,797,154	\$ 2,444,752
2000	3,429,484	2,209,560
1999	3,196,616	2,067,199

Alternative Retirement Plan: The State of Ohio requires public institutions of higher education to offer an alternative retirement plan. This option is an alternate to participating in the State Teachers Retirement System. The alternative retirement plan shall be a defined-contribution plan, with the Ohio employer contribution rate of 5.76% for STRS and 3.1% for SERS. The College has implemented the alternative retirement plan. In fiscal year 2000, the College's contributions were \$17,144 for STRS and \$5,802 for SERS. In fiscal year 2001, the College's contributions were \$19,722 for STRS and \$9,519 for SERS.

In addition to the retirement benefits described above, STRS and SERS provide post-retirement health care benefits. STRS and SERS provide comprehensive health care benefits to retirees with 10 or more years of qualifying service credit and offer coverage to their dependents on a deduction basis. Coverage

COLUMBUS STATE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2001 and 2000

includes hospitalization, medical expenses, prescription drugs and reimbursement of monthly Medicare premiums. STRS and SERS determine the amount, if any, of the associated health care cost that will be absorbed by STRS and SERS. Under Ohio law, medical costs paid from the funds of STRS and SERS are included on the employer contribution rate. In 2000 (date of most recent information available), STRS and SERS currently allocated 8% and 8.5% of covered payroll, respectively, to fund the health care program for retirants.

NOTE 12 – COMPENSATED ABSENCES

Columbus State Community College employees earn vacation and sick leave on a monthly basis. Employees may accrue vacation benefits up to a maximum of 240 hours (30 days). For all classes of employees, any earned but unused vacation benefit is payable on termination.

Sick leave may be accrued without limit. However, earned but unused sick leave benefits are payable only on retirement from the College with 10 or more years of state service. The amount of sick leave benefit payable at retirement is one fourth of the accrued but unused sick leave, up to a maximum of 40 days.

The College follows the policy of accruing sick leave liability. The College accrues a sick leave liability for those employees who are currently eligible to receive termination payments along with other employees who are expected to become eligible to receive such payments. This liability is calculated using the “vesting method” which is set forth in GASB Statement No. 16, *Accounting for Compensated Absences*. Under the vesting method, the College calculates the probability that groups of employees will be come eligible to receive termination payments. These probability ratios are then applied by the College to the accumulated leave balance for that current group of College employees.

As of June 30, 2001 and 2000, the estimated accrued vacation and sick leave liability was approximately \$1,832,000 and \$1,368,000.

NOTE 13 – ENCUMBRANCES

Encumbrances are contractual commitments made by the College for the purchase of goods and services. However, as of the balance sheet date, such goods have not been delivered or services rendered. Encumbrances (excluding amounts for Board allocations) were \$425,897 as of June 30, 2001.

COLUMBUS STATE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2001 and 2000

NOTE 14 – PENDING LITIGATION

At June 30, 2001, there were several lawsuits and claims pending against the College. In the opinion of management, the ultimate liabilities, if any, resulting from such lawsuits and claims will not materially affect the financial position of the College.

SUPPLEMENTARY INFORMATION

COLUMBUS STATE COMMUNITY COLLEGE
BALANCE SHEET – CURRENT FUNDS
June 30, 2001

	Current Funds				Total Current Funds
	Unrestricted		Total Unrestricted	Restricted	
	Educational and General	Auxiliary		Educational and General	
ASSETS					
Cash and cash equivalents	\$ 48,206,517	\$ 1,588,172	\$ 49,794,689		\$ 49,794,689
Investments	8,378,972		8,378,972		8,378,972
Accounts receivable, net	3,492,342	359,113	3,851,455		3,851,455
Accrued interest receivable	230,424		230,424		230,424
Inventories		1,570,881	1,570,881		1,570,881
Interfund receivables	<u>960,209</u>	<u>3,068,538</u>	<u>4,028,747</u>	\$ 151,890	<u>4,180,637</u>
Total assets	<u>\$ 61,268,464</u>	<u>\$ 6,586,704</u>	<u>\$ 67,855,168</u>	<u>\$ 151,890</u>	<u>\$ 68,007,058</u>
LIABILITY AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 4,976,511	\$ 492,369	\$ 5,468,880		\$ 5,468,880
Deferred income	5,938,517		5,938,517		5,938,517
Interfund payable	<u>3,839,040</u>	<u>264,321</u>	<u>4,103,361</u>		<u>4,103,361</u>
Total liabilities	14,754,068	756,690	15,510,758		15,510,758
Fund balance					
Unrestricted-allocated	25,064,157		25,064,157		25,064,157
Unrestricted-unallocated	21,450,239	5,830,014	27,280,253		27,280,253
Restricted				\$ 151,890	<u>151,890</u>
Total fund balance	<u>46,514,396</u>	<u>5,830,014</u>	<u>52,344,410</u>	<u>151,890</u>	<u>52,496,300</u>
Total liabilities and fund balance	<u>\$ 61,268,464</u>	<u>\$ 6,586,704</u>	<u>\$ 67,855,168</u>	<u>\$ 151,890</u>	<u>\$ 68,007,058</u>

COLUMBUS STATE COMMUNITY COLLEGE
 SCHEDULE OF CURRENT REVENUES – EDUCATIONAL AND GENERAL
 For the Year Ended June 30, 2001

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Tuition, fees and other charges			
Instructional	\$ 31,823,831		\$ 31,823,831
Non-credit instructional	641,101		64,101
Laboratory fees	1,393,126		1,393,126
Application & matriculation	486,655		486,655
Parking and parking fines	725,247		725,247
Other	<u>326,112</u>		<u>326,112</u>
Total tuition, fees & other student charges	<u>35,396,072</u>		<u>35,396,072</u>
State appropriations			
Instructional subsidy	34,837,584		34,837,584
Other through Regents	<u>6,534,279</u>		<u>6,534,279</u>
Total state appropriations	<u>41,371,863</u>		<u>41,371,863</u>
Gifts, grants & contracts			
Federal		\$ 8,159,429	8,159,429
State		2,533,521	2,533,521
Private	<u>1,669,087</u>	<u>271,175</u>	<u>1,940,262</u>
Total gifts, grants & contracts	<u>1,669,087</u>	<u>10,964,125</u>	<u>12,633,212</u>
Sales & service			
Data center services	<u>12,311</u>		<u>12,311</u>
Total sales & service	<u>12,311</u>		<u>12,311</u>
Other sources			
Interest	3,036,664		3,036,664
Rental	145,305		145,305
Food service	134,882		134,882
Other	<u>176,828</u>		<u>176,828</u>
Total other sources	<u>3,493,679</u>		<u>3,493,679</u>
Total current revenue	<u>\$ 81,943,012</u>	<u>\$10,964,125</u>	<u>\$ 92,907,137</u>

(Continued)

COLUMBUS STATE COMMUNITY COLLEGE
 SCHEDULE OF CURRENT EXPENDITURES – EDUCATIONAL AND GENERAL (Continued)
 For the Year Ended June 30, 2001

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Instructional & departmental research			
Business	\$ 8,074,399		\$ 8,074,399
Engineering	4,984,929		4,984,929
Health	7,866,277		7,866,277
General	16,423,176		16,423,176
Public service	<u>1,466,226</u>		<u>1,466,266</u>
Total instructional & departmental research	<u>38,815,007</u>		<u>38,815,007</u>
Public service			
K-12 initiatives	186,414		186,414
Non-credit instruction	<u>1,748,970</u>		<u>1,748,970</u>
Total public service	<u>1,935,384</u>		<u>1,935,384</u>
Academic support			
Libraries	1,102,858		1,102,858
Distance learning	188,142		188,142
Academic administration	<u>1,521,982</u>		<u>1,521,982</u>
Total academic support	<u>2,812,982</u>		<u>2,812,982</u>
Student services			
Vice President	179,069		179,069
Student health services	256,837		256,837
Counseling	861,163		861,163
Admissions	1,138,016		1,138,016
Registration	749,388		749,388
Financial aid & veterans office	1,227,664		1,227,664
Student activities	974,674		974,674
Developmental	204,627		204,627
Handicapped	751,789		751,789
Data processing center	<u>1,106,843</u>		<u>1,106,843</u>
Total student services	<u>7,450,070</u>		<u>7,450,070</u>

(Continued)

COLUMBUS STATE COMMUNITY COLLEGE
 SCHEDULE OF CURRENT EXPENDITURES – EDUCATIONAL AND GENERAL (Continued)
 For the Year Ended June 30, 2001

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Institutional support			
President's office	\$ 1,569,265		\$ 1,569,265
Vice President for Business	2,490,695		2,490,695
Vice President for Education	519,470		519,470
Vice President for Planning	312,967		312,967
Personnel	1,023,289		1,023,289
Public relations	2,190,341		2,190,341
Safety and security	1,396,771		1,396,771
Word processing	312,860		312,860
Office services	543,954		543,954
Data center operations	1,261,889		1,261,889
Facilities planning	533,823		533,823
Institutional research	<u>395,314</u>		<u>395,314</u>
Total institutional support	<u>12,550,638</u>		<u>12,550,638</u>
Operation and maintenance of plant			
Administration	68,903		68,903
Custodial and maintenance	4,091,506		4,091,506
Equipment and improvements	5,780,740		5,780,740
Utilities	2,361,699		2,361,699
Property insurance	<u>147,166</u>		<u>147,166</u>
Total operation and maintenance of plant	<u>12,450,014</u>		<u>12,450,014</u>
Scholarships and fellowships			
Scholarships	--		
Grant-in-aid	<u>--</u>	<u>\$10,966,214</u>	<u>10,966,214</u>
Total scholarships and fellowships	<u>--</u>	<u>10,966,214</u>	<u>10,966,214</u>
Total current expenditures – educational and general	<u>\$ 76,014,095</u>	<u>\$10,966,214</u>	<u>\$ 86,980,309</u>

COLUMBUS STATE COMMUNITY COLLEGE
STATEMENT OF AUXILIARY OPERATIONS
For the Year Ended June 30, 2001

	<u>Bookstore</u>	<u>Child Care Center</u>	<u>Golf Course</u>	<u>Total</u>
Sales	\$ 7,460,426			\$ 7,460,426
Less: Cost of sales	<u>5,690,563</u>	<u> </u>	<u> </u>	<u>5,690,563</u>
Gross margin	1,769,863			1,769,863
Tuition		\$ 239,546		239,546
Golf course sales			\$ 745,797	745,797
Registration		375		375
Private gifts				
Title 20	<u> </u>	<u>168,909</u>	<u> </u>	<u>168,909</u>
Total revenue	1,769,863	408,830	745,797	2,924,490
Operating expenditures	<u>1,091,842</u>	<u>462,259</u>	<u>1,049,822</u>	<u>2,603,923</u>
Net income (loss)	678,021	(53,429)	(304,025)	320,567
Transfer in (out)	<u>(80,886)</u>	<u>103,305</u>	<u> </u>	<u>22,419</u>
Net increase (decrease) in fund balance	597,135	49,876	(304,025)	342,986
Fund balance, beginning of year	<u>5,587,662</u>	<u>(140,338)</u>	<u>39,704</u>	<u>5,487,028</u>
Fund balance, end of year	<u>\$ 6,184,797</u>	<u>\$ (90,462)</u>	<u>\$ (264,321)</u>	<u>\$ 5,830,014</u>

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF DEVELOPMENT FOUNDATION OPERATIONS
For the Year Ended June 30, 2001

	Current Funds		Endowment	Total All
	Unrestricted	Restricted	Fund	Funds
Revenues and support				
Contributions	\$ 334,121	\$ 235,383	\$ 274,155	\$ 843,659
Game machines		8,068		8,068
Investment income – realized	(2,113)	62,887		60,774
Investment income – unrealized	34,825	(461,417)		(426,592)
Total revenues and support	366,833	(155,079)	274,155	485,909
Expenses				
Scholarships		283,665		283,665
Operating expenses	154,822			154,822
Total expenses	154,822	283,665		438,487
Excess (deficiency) of revenue and support over expenses	212,011	(438,744)	274,155	47,422
Interfund transfers	(899,262)	762,649	136,613	--
Net increase/(decrease) in fund balances	(687,251)	323,905	410,768	47,422
Fund balance, beginning of year	1,037,746	539,754	1,357,915	2,935,415
Fund balance, end of year	\$ 350,495	\$ 863,659	\$ 1,768,683	\$ 2,982,837

COLUMBUS STATE COMMUNITY COLLEGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2001

Federal Grantor Agency/Pass-Through <u>Agency/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Entity Number</u>	<u>Disbursements</u>
<u>U.S. Department of Education</u>			
Student financial aid cluster:			
Federal Supplemental Educational Opportunity Grant	84.007		\$ 397,173
Federal Family Education Loans	84.032		15,473,002
Federal Work Study Program	84.033		268,586
Federal Perkins Loan Program	84.038		5,543
Federal Pell Grant Program	84.063		<u>7,691,990</u>
Total student financial aid cluster			23,836,294
Title III Grant	84.031A		466,125
TRIO	84.047		234,744
Special Education – Research and Innovation	84.324		60,059
Special Education – State Program Improvement Grants	84.323		28,579
Passed through State Department of Education:			
Vocational Education – Basic Grants to States	84.048	20-C2	135,523
Technical Preparation Grant	84.243	3E-00	<u>282,493</u>
Total U.S. Department of Education			25,043,817
U.S. Department of Health & Human Services:			
Temporary Assistance to Needy Families	93.558		<u>1,918,537</u>
Total Federal assistance			<u>\$26,962,354</u>

(1) The College does not make Federal Family Education Loans. Amount represents the amount of new loans processed under the Federal Family Education Loan Program during the year.

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2001

1. Summary of Auditor's Results

- a. An unqualified opinion was issued on the financial statements of Columbus State Community College for the year ended June 30, 2001.
- b. An unqualified opinion was issued to Columbus State Community College for compliance with major programs.
- c. The audit did not disclose any noncompliance that is material to the financial statements.
- d. There were no audit findings required to be disclosed under OMB Circular A-133 Section 510(a).
- e. Major Programs Identified:

Student Financial Assistance Cluster:

Federal Supplemental Educational Opportunity Grant
Federal Family Education Loan
Federal Work Study Program
Federal Perkins Loan Program
Federal Pell Grant Program
Title III Grant Program
Temporary Assistance to Needy Families

- f. The dollar threshold used to distinguish between Type A and Type B programs was \$344,514.
- g. The auditee was considered to be a low-risk auditee.

2. Findings related to financial statements that are required to be reported in accordance with GAGAS:

None.

3. Findings and questioned costs for federal awards including audit findings as described in OMB Circular A-133 Section 510(a):

None.

PRIOR YEAR FINDINGS

No findings or questioned costs for federal awards including audit finding as defined in OMB Circular A-133 Section 510(a) were reported in the prior audit period.



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

Board of Trustees
Columbus State Community College
Columbus, Ohio

We have audited the financial statements of Columbus State Community College (College) as of and for the year ended June 30, 2001, and have issued our report thereon dated September 27, 2001. We conducted our audit 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.

Compliance

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 grants, 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting 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 over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of Columbus State Community College in a separate letter dated September 27, 2001.

This report is intended solely for the information and use of the audit committee, management and the 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.



Crowe, Chizek and Company LLP

Columbus, Ohio
September 27, 2001



REPORT OF INDEPENDENT AUDITORS 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
Columbus, Ohio

Compliance

We have audited the compliance of Columbus State Community College (College) 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, 2001. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the College. Our responsibility is to express an opinion on the 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 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. Our audit does not provide a legal determination on the College's compliance with those requirements.

In our opinion, the 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, 2001.

Internal Control Over Compliance

The management of the 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 the 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management and 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.



Crowe, Chizek and Company LLP

Columbus, Ohio
September 27, 2001

**COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.**

FINANCIAL STATEMENTS

June 30, 2001

COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.

FINANCIAL STATEMENTS
June 30, 2001

CONTENTS

REPORT OF INDEPENDENT AUDITORS	1
FINANCIAL STATEMENTS	
BALANCE SHEET	2
STATEMENT OF REVENUES, SUPPORT AND EXPENSES AND CHANGES IN FUND BALANCES	3
NOTES TO FINANCIAL STATEMENTS.....	4



REPORT OF INDEPENDENT AUDITORS

Board of Trustees
Columbus State Community College
Development Foundation, Inc.
Columbus, Ohio

We have audited the accompanying balance sheet of Columbus State Community College Development Foundation, Inc. (a not-for-profit component unit of Columbus State Community College) as of June 30, 2001, and the related statement of revenues, support and expenses and changes in fund balances for the year then ended. These financial statements are the Columbus State Community College Development Foundation Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 audit provides 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 Columbus State Community College Development Foundation, Inc. as of June 30, 2001, and the results of its operations and the changes in fund balances for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Crowe, Chizek and Company LLP".

Crowe, Chizek and Company LLP

Columbus, Ohio
September 27, 2001

COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
BALANCE SHEET
June 30, 2001
(with Comparative Totals from 2000 for analytical purposes only)

	Current Funds		Endowment	2001	2000
	Unrestricted	Restricted	Fund	Total Funds	Memorandum Totals Only
ASSETS					
Cash	\$ 209,385			\$ 209,385	\$ 166,853
Investments (Note 2)	142,028	\$ 888,862	\$ 1,768,683	2,799,573	2,875,980
Accounts receivable		10,350		10,350	
Student Emergency Loans (Note 3)	_____	1,947	_____	1,947	10,082
Total assets	<u>\$ 351,413</u>	<u>\$ 901,159</u>	<u>\$ 1,768,683</u>	<u>\$ 3,021,255</u>	<u>\$ 3,052,915</u>
LIABILITIES AND FUND BALANCE					
Deferred Revenue		\$ 37,500		\$ 37,500	\$ 117,500
Due to CSCC General Fund	\$ 918			918	
Fund balance	<u>350,495</u>	<u>863,659</u>	<u>\$ 1,768,683</u>	<u>2,982,837</u>	<u>2,935,415</u>
Total liabilities and fund balance	<u>\$ 351,413</u>	<u>\$ 901,159</u>	<u>\$ 1,768,683</u>	<u>\$ 3,021,255</u>	<u>\$ 3,052,915</u>

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

COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
STATEMENT OF REVENUES, SUPPORT AND EXPENSES AND
CHANGES IN FUND BALANCES
Year ended June 30, 2001
(with Comparative Totals from 2000 for analytical purposes only)

	Current Funds		Endowment Fund	2001	2000
	Unrestricted	Restricted		Total Funds	Memorandum Totals Only
Revenues and support					
Contributions	\$ 334,121	\$ 235,383	\$ 274,155	\$ 843,659	\$ 920,001
Game machines		8,068		8,068	6,769
Investment income					
Realized	(2,113)	62,887		80,146	92,929
Unrealized	34,825	(461,417)		(445,964)	126,783
Total revenues and support	366,833	(155,079)	274,155	485,909	1,146,482
Expenses					
Scholarships		283,665		283,665	472,653
Operating expenses	154,822			154,822	252,633
Total expenses	154,822	283,665		438,487	725,286
Excess of revenues and support over expenses	212,011	(438,744)	274,155	47,422	421,196
Inter-fund transfers	(899,262)	762,649	136,613		
Net increase/(decrease) in fund balances	(687,251)	323,905	410,768	47,422	421,196
Fund balance, beginning of year	1,037,746	539,754	1,357,915	2,935,415	2,514,219
Fund balance, end of year	\$ 350,495	\$ 863,659	\$ 1,768,683	\$ 2,982,837	\$ 2,935,415

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

COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

NOTE 1 - SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Organization: Columbus State Community College Development Foundation, Inc. (the Foundation) is an Ohio not-for-profit corporation and is a component unit of the Columbus State Community College. The Foundation was formed in 1982 to receive contributions that are to be used to support the educational undertaking of Columbus State Community College. The Foundation operates exclusively for the benefit of Columbus State Community College.

The Foundation is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting: The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Fund Accounting: To ensure observance of restrictions placed on the use of resources available to the Foundation, its accounts are maintained in accordance with principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

The assets, liabilities and fund balances of the Foundation are reported in two self-balancing fund groups:

Current funds, which include (i) unrestricted funds presently available for use by the Foundation and (ii) restricted funds presently available for use, but expendable only for operating purposes specified by the donor.

Endowment funds represent contributions in which the donor has stipulated, as a condition of the gift that the principal be maintained intact and only the investment income of the fund be expended as the donor has specified.

Gifts: Gifts are recorded at their fair market value as of the date received.

Cash: Cash is covered by federal depository insurance or by collateral up to \$100,000. Deposits may periodically exceed \$100,000.

COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

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

Deferred Revenue: Deferred revenue consists primarily of payments received in advance of the College's fundraising events.

NOTE 2 - INVESTMENTS

The Foundation pools unrestricted, restricted and endowment funds for investment purposes. Investment income is allocated to the appropriate fund based on its share of the pooled investments. Investments as of June 30, 2001 are summarized as follows:

	<u>Cost</u>	<u>Market</u>
Obligations due within one year	\$ 458,787	\$ 459,544
Common and preferred stock	1,259,370	1,609,376
Bonds due beyond one year	<u>697,760</u>	<u>730,658</u>
Total investments	<u>\$ 2,415,917</u>	<u>\$ 2,799,578</u>

NOTE 3 - STUDENT EMERGENCY LOANS

Student emergency loans are recorded net of an allowance for uncollectible accounts. The following summarizes outstanding student emergency loans as of June 30, 2001:

Student emergency loans	\$ 14,117
Allowance for uncollectible accounts	<u>12,170</u>
Net student emergency loans	<u>\$ 1,947</u>

**COLUMBUS STATE COMMUNITY COLLEGE
PRESIDENT'S DISCRETIONARY FUND**

**STATEMENT OF CHANGES
IN FUND BALANCE**

Year ended June 30, 2001

COLUMBUS STATE COMMUNITY COLLEGE
PRESIDENT'S DISCRETIONARY FUND

STATEMENT OF CHANGES IN FUND BALANCE
Year ended June 30, 2001

CONTENTS

REPORT OF INDEPENDENT AUDITORS	1
FINANCIAL STATEMENT	
STATEMENT OF CHANGES IN FUND BALANCE.....	2
NOTES TO FINANCIAL STATEMENT.....	3



REPORT OF INDEPENDENT AUDITORS

Board of Trustees
Columbus State Community College
President's Discretionary Fund
Columbus, Ohio

We have audited the accompanying statement of changes in fund balance of the President's Discretionary Fund of Columbus State Community College (Fund) as of June 30, 2001, and for the year then ended. This financial statement is the responsibility of the College's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement was prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the Fund's changes in fund balance at of June 30, 2001, on the basis of accounting described in Note 1.

A handwritten signature in cursive script that reads "Crowe, Chizek and Company LLP".

Crowe, Chizek and Company LLP

Columbus, Ohio
September 27, 2001

COLUMBUS STATE COMMUNITY COLLEGE
PRESIDENT'S DISCRETIONARY FUND
STATEMENT OF CHANGES IN FUND BALANCE
Year Ended June 30, 2001

Revenues

Video games	\$ 4,240
Columbus State Community College appropriations	10,000
Other income	<u>1,000</u>
Total revenues	15,240

Expenses

Ohio Hunger Task Force	1,250
M.L. King Jr. Breakfast	201
United Way of Franklin County	40
Community Shelter Board	1,000
Friends of the Homeless	250
New Albany Country Club	200
Carnegie Society Fund	500
Center for New Directions	1,250
Central Ohio Breathing Association	32
ACF - Columbus Chapter	600
The Gathering	350
AHA WHHI Research Fund	500
NAACP	150
Flowers	<u>1,385</u>
Total expenses	<u>7,708</u>
Net revenues over expenses	7,532
Fund balance, beginning of year	<u>2,367</u>
Fund balance, end of year	<u>\$ 9,899</u>

The accompanying notes are an integral part of this financial statement.

COLUMBUS STATE COMMUNITY COLLEGE
PRESIDENT'S DISCRETIONARY FUND
NOTES TO FINANCIAL STATEMENT
June 30, 2001

NOTE 1 - SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Purpose of Fund: The President's Discretionary Fund is a separate fund of the Columbus State Community College (the College) and is separate from the operating and capital funds of the College. The source of funds is specified by the Board of Trustees of the College.

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

Basis of Accounting: The President's Discretionary Fund prepares its financial statement in accordance with the cash basis of accounting. Consequently, revenues are recognized when received rather than earned, and expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statement is not intended to present the financial position of the President's Discretionary Fund or the results of its operations in accordance with accounting principles generally accepted in the United States of America.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

COLUMBUS STATE COMMUNITY COLLEGE

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 27, 2001**