

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

**Financial Statements
June 30, 2007 and 2006**

With

Independent Auditors' Report

PARMS & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS



Mary Taylor, CPA

Auditor of State

Board of Directors
Columbus State Community College Development Foundation, Inc.
550 East Spring Street
Columbus, Ohio 43216

We have reviewed the *Independent Auditors' Report* of the Columbus State Community College Development Foundation, Inc., Franklin County, prepared by Parns & Company, LLC, for the audit period July 1, 2006 through June 30, 2007. 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 Development Foundation, Inc. is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 7, 2008

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

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Independent Auditors' Report

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

We have audited the accompanying statements of financial position of Columbus State Community College Development Foundation, (the Foundation), a component unit of Columbus State Community College as of June 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation'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 Columbus State Community College Development Foundation, Inc. as of June 30, 2007 and 2006, and the 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 December 11, 2007, on our consideration of the Foundation'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.

Parms & Company, LLC

Columbus, Ohio
December 11, 2007

**COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
Statements of Financial Position
June 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
ASSETS		
Cash	\$ 277,073	\$ 119,970
Investments	4,417,349	3,827,907
Pledges receivable	476,409	1,330,303
Accounts receivable	17,539	-
Student loans receivable, net of allowance of \$12,170	1,297	1,297
Total assets	<u>\$ 5,189,667</u>	<u>\$ 5,279,477</u>
 LIABILITIES		
Trade Payables	\$ 3,850	\$ -
Due Columbus State Community College	<u>60,704</u>	<u>732,296</u>
Total liabilities	64,554	732,296
 NET ASSETS		
Unrestricted	141,827	73,086
Temporarily restricted	1,836,585	1,389,169
Permanently restricted	<u>3,146,701</u>	<u>3,084,926</u>
Total net assets	<u>5,125,113</u>	<u>4,547,181</u>
Total liabilities and net assets	<u>\$ 5,189,667</u>	<u>\$ 5,279,477</u>

See accompanying notes to the financial statements.

**COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
Statement of Activities
For the Year Ended June 30, 2007**

	2007			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUE AND SUPPORT				
Contributions	\$ 214,421	428,395	18,991	\$ 661,807
Investment income:				
Dividends and net realized gain	65,835	114,374	-	180,209
Net unrealized gain	145,910	276,170	-	422,080
Miscellaneous				
Net assets released from restrictions:				
Satisfaction of program restrictions	330,489	(330,489)	-	-
Total revenue and support	<u>756,655</u>	<u>488,450</u>	<u>18,991</u>	<u>1,264,096</u>
EXPENSES				
Scholarships	330,489	-	-	330,489
Contribution to Columbus State	-	-	-	-
Management and general support	355,675	-	-	355,675
Total expenses	<u>686,164</u>	<u>-</u>	<u>-</u>	<u>686,164</u>
CHANGE IN NET ASSETS	70,491	488,450	18,991	577,932
OTHER CHANGES IN NET ASSETS				
Transfer of earnings	(1,750)	(41,034)	42,784	-
NET ASSETS				
Beginning of year	73,086	1,389,169	3,084,926	4,547,181
End of year	<u>\$ 141,827</u>	<u>1,836,585</u>	<u>3,146,701</u>	<u>\$ 5,125,113</u>

See accompanying notes to the financial statements.

**COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
Statement of Activities
For the Year Ended June 30, 2006**

	2006			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT:				
Contributions	\$ 851,539	552,972	251,889	\$ 1,656,400
Investment income:				
Dividends and net realized gain	56,190	87,404	-	143,594
Net unrealized gain	41,815	14,567	-	56,382
Miscellaneous				
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>618,242</u>	<u>(618,242)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>1,567,786</u>	<u>36,701</u>	<u>251,889</u>	<u>1,856,376</u>
EXPENSES:				
Scholarships	485,946	-	-	485,946
Contribution to Columbus State	600,000	-	-	600,000
Management and general support	<u>534,740</u>	<u>-</u>	<u>-</u>	<u>534,740</u>
Total expenses	<u>1,620,686</u>	<u>-</u>	<u>-</u>	<u>1,620,686</u>
CHANGE IN NET ASSETS	(52,900)	36,701	251,889	235,690
OTHER CHANGES IN NET ASSETS				
Transfer of earnings	(6,794)	1,964	4,830	-
NET ASSETS				
Beginning of year	<u>132,780</u>	<u>1,350,504</u>	<u>2,828,207</u>	<u>4,311,491</u>
End of year	<u>\$ 73,086</u>	<u>1,389,169</u>	<u>3,084,926</u>	<u>\$ 4,547,181</u>

See accompanying notes to the financial statements.

**COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
Statements of Cash Flows
For the Years Ended June 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 577,932	\$ 235,690
Adjustments to reconcile change in net assets to net cash used by operating activities		
Net unrealized gain on investments	(422,080)	(56,382)
Effects of changes in assets and liabilities:		
Decrease (Increase) in pledges receivable	853,894	(749,860)
Increase in accounts receivable	(17,539)	-
(Decrease) Increase in accounts payable	<u>(667,742)</u>	<u>707,436</u>
Net cash provided by operating activities	324,465	136,884
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	<u>(167,362)</u>	<u>(334,763)</u>
NET INCREASE (DECREASE) IN CASH	157,103	(197,879)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>119,970</u>	<u>317,849</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 277,073</u>	<u>\$ 119,970</u>

See accompanying notes to the financial statements.

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

**Notes to the Financial Statements
For the Years Ended June 30, 2007 and 2006**

Note 1 - Summary of Significant Accounting Policies:

The financial statements of the Columbus State Community College Development Foundation, Inc. (the Foundation) have been prepared on the accrual basis of accounting. The following significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Organization

Columbus State Community College Development Foundation, Inc. is a not-for-profit Ohio corporation formed in 1982. It is considered to be a component unit of Columbus State Community College (the College). The Foundation is organized and operated exclusively to generate, receive, hold, invest, manage and allocate funds and property for the advancement, achievement, and support of the educational programs of the Columbus State Community College, the beneficiaries being its students and community. Columbus State Community College provides administrative services on behalf of the Foundation.

Financial statement presentation

The Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 117, *"Financial Statement of Not-For-Profit Organizations."* Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash

For purposes of the statements of cash flows, the Foundation considers all demand bank deposits as cash. The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Revenue

The Foundation reports contributions as restricted if they are received with donor stipulations that limit the use of the contributions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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

**Notes to the Financial Statements
For the Years Ended June 30, 2007 and 2006**

In-Kind Income

Columbus State Community College provides an annual budget for personnel and general operating expenses of the Foundation, as well as the facilities occupied by the Foundation. In addition, the College assists the Foundation in fund-raising, gift processing and accounting. The value of the operating budget, office space and services provided constitutes additional in-kind income to the Foundation that is not recorded, nor is the associated in-kind expense for the office space and other services. Annually, the Foundation hosts an event that recognizes donors as well as raises funds for scholarships and special projects called "Taste the Future" in which vendors prepare various gourmet foods. No amounts have been included in the financial statements to value the in-kind donation of time and food items for this event.

Investments

Realized and unrealized gains and losses are reported in the statement of activities. Market value is determined by market quotations. Donated investments are recorded at the fair value at the time received.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Note 2 - Cash:

The Foundation maintains its cash account with Huntington National Bank. The account is consolidated with the College's other cash funds and available balances are daily swept to a concentration account and invested in an overnight repurchase agreement. The Foundation's cash is included in the College's consolidated cash, which is insured by the FDIC up to \$100,000. Uninsured cash funds held by the bank are subject to a collateral agreement covering all public funds held by the bank. As of June 30, 2007 and 2006, the Foundation had a balance per bank of \$275,049 and \$164,516, respectively. The difference between bank balance and carrying value represent normal reconciling items. The bank balances were a part of the funds invested by the College in an overnight repurchase agreement, as of June 30, 2007 and 2006.

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

**Notes to the Financial Statements
For the Years Ended June 30, 2007 and 2006**

Note 3 - Investments:

The Foundation's investments are stated at market value with changes in market value being recognized as gains and losses during the period in which they occur. The following summarizes investment values at June 30, 2007 and 2006:

	<u>June 30, 2007</u>		<u>June 30, 2006</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Money Market	\$ 627,202	\$ 627,202	\$ 36,785	\$ 36,785
Closed End Investments	1,478,923	1,933,168	3,040,614	3,125,533
Mutual Funds	100,000	108,600	-	-
Corporate Bond Funds	375,000	375,000	-	-
Municipal Bond Funds	600,000	600,000	-	-
Common Stocks & Options	<u>712,070</u>	<u>773,379</u>	<u>641,193</u>	<u>665,589</u>
Total	<u>\$ 3,893,195</u>	<u>\$ 4,417,349</u>	<u>\$ 3,718,592</u>	<u>\$ 3,827,907</u>

Note 4 - Promises to Give:

Unconditional promises to give consist of the following as of June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Support What Works Campaign Pledges	\$ 477,951	\$ 739,341
Annual Pledges	22,608	30,402
FedEx Pledge	-	600,000
Less: Discount and allowance	<u>(24,150)</u>	<u>(39,440)</u>
Total	<u>\$ 476,409</u>	<u>\$ 1,330,303</u>

As of June 30, 2007, amounts due to be received in:

Less than one year	\$ 190,559	-	\$ 190,559
One to five years	<u>310,000</u>	<u>(24,150)</u>	<u>285,850</u>
Total	<u>\$ 500,559</u>	<u>(24,150)</u>	<u>\$ 476,409</u>

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

**Notes to the Financial Statements
For the Years Ended June 30, 2007 and 2006**

During 2005, the Foundation began soliciting contributions for a major gifts campaign (Support What Works Campaign). As of June 30, 2007, management estimates that all promises to give ultimately will be collectible. Due to uncertainties about future events, management's estimate of uncollectible promises to give may subsequently change, although the amount of such a change cannot be estimated. Pledges receivable as of June 30, 2007 included the estimated value of a used jet donated to the Foundation, earmarked for the College's aviation and law enforcement programs. The recorded value of the donated FedEx jet was restated from \$1,000,000 as previously reported to \$600,000. Discounts applied to promises to give total \$24,150 and \$39,440, as of June 30, 2007 and 2006.

Note 5 - Net Assets:

The following summarizes the purposes and restrictions of the funds:

Unrestricted net assets:

Undesignated:

To provide for students' needs other than for scholarships. The funds are derived from interest from the Unrestricted Scholarship Fund and from donations.

Temporarily restricted net assets:

Funds established to support specific projects of the College or provide scholarships based on individual fund criteria to Columbus State Community College students.

<u>Fund/Nature of Restriction</u>	<u>2007</u>	<u>2006</u>
Academia Nuts – Art Supplies	\$ 1,245	\$ 1,245
Alumni Association Club – Alumni Events and Projects	9,754	10,517
Aviation Maintenance	5,412	4,830
Bob Evans – Scholarships, Team Competition and Equipment	57,559	58,699
Bio & Physical Sciences Equipment - Science Equipment	205,024	-
Capital Equipment	37,985	37,985
Columbus Edge – K-12 and Workforce Development Program	36,000	36,000
Community Outreach – Workforce Development Program	268	268
CTTU/727 Fund - Use of 727 Jet for Training Purposes	1,163	-
Diversity Enhancement – Diversity Programs and Workforce	35,000	-
Eischen/Reliastar – Business and Industry Programs	3,917	3,917
First Tee General Support – General Program Support	515	-
Healthcare Workforce	31,657	283,565

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

**Notes to the Financial Statements
For the Years Ended June 30, 2007 and 2006**

Hospitality Management – Student Competition	969	3,223
Huntington Lecture Series	81,307	95,962
Justice and Safety Project - Student Networking Nights	30	-
Kids in College – Summer K – 12 Program	30,101	30,101
Landscape ALCA	39,263	39,850
Limited Brands - CEWD	50,000	-
Nursing General Support - Pinning Ceremonies & Nursing Projects	3,860	-
Raymond Mason Foundation – Programs and Language Institute	446	-
Time of Your Life - Lifelong Learning Programs	626	-
Wolfe Associates – Cross Finish Line	240,298	236,122
Others	-	910
Various Scholarship Funds	<u>964,086</u>	<u>545,975</u>
Total Temporarily Restricted Net Assets	<u>\$1,836,585</u>	<u>\$1,389,169</u>

Permanently restricted net assets:

The following represents endowed funds at June 30:

<u>Fund/Nature of Restriction</u>	<u>2007</u>	<u>2006</u>
Mary Babcock Endowed Fund – Development Foundation Support	\$ 250,000	\$ 250,000
SEM Title III – Enrollment Management Project Support	289,698	289,698
Worthington Special Project Endowed Fund – Campus Project Support	10,000	10,000
Various Endowed Scholarship Funds	<u>2,597,003</u>	<u>2,535,228</u>
Total Permanently Restricted Net Assets	<u>\$3,146,701</u>	<u>\$3,084,926</u>

Note 6 – Non Monetary Pass-Through Contribution

During fiscal year 2006, the Foundation received the donation of a used FedEx jet. The use of the jet was designated for the Columbus State Community College. Management has estimated the value of the jet to be \$600,000. A restatement was made during fiscal year 2007, to restate the estimated value of the donated FedEx jet from \$1,000,000 as previously reported, to \$600,000, based on subsequent information received. Since the use of the jet is intended for the College’s aviation and law enforcement programs, the Foundation in fiscal year 2006 recorded both the revenue for receipt of the jet, and contribution expense for its transference over to the College.

**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
Development Foundation, Inc.
Columbus, Ohio

We have audited the financial statements of Columbus State Community College Development Foundation (the Foundation), a component unit of Columbus State Community College, as of and for the year ended June 30, 2007, and have issued our report thereon dated December 11, 2007. 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 Foundation'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 Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation'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 use of the audit committee and management and is not intended to be and should not be used by anyone other than these specified parties.

Farms & Company, LLC

December 11, 2007
Columbus, Ohio



Mary Taylor, CPA
Auditor of State

COLUMBUS STATE COMMUNITY COLLEGE DEVELOPMENT FOUNDATION, INC.

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
JANUARY 17, 2008**