EDISON STATE COMMUNITY COLLEGE

ANNUAL REPORT
WITH SUPPLEMENTAL INFORMATION

June 30, 2011 and 2010

Board of Trustees
Edison State Community College
1973 Edison Drive
Piqua, Ohio 45356

We have reviewed the *Independent Auditor's Report* of the Edison State Community College, Miami County, prepared by Plante & Moran, PLLC, for the audit period July 1, 2010 through June 30, 2011. 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 Edison State Community College is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

November 29, 2011

This page intentionally left blank.

EDISON STATE COMMUNITY COLLEGE
Piqua, Ohio

ANNUAL REPORT
June 30, 2011 and 2010

CONTENTS

This page intentionally left blank.

Plante & Moran, PLLC
3434 Granite Circle
Toledo, OH 43617
Tel: 419.843.6000
Fax: 419.843.6099
plantemoran.com

Independent Auditor's Report

To the Board of Trustees
Edison State Community College

We have audited the accompanying statements of net assets of Edison State Community College (the "College") and its discretely presented component unit as of June 30, 2011 and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Edison State Community College as of June 30, 2010 were audited by other auditors, whose report dated October 15, 2010 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 audit provides a reasonable basis for our opinion.

In our opinion, the 2011 financial statements referred to above present fairly, in all material respects, the financial position of Edison State Community College at June 30, 2011 and the changes in net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2011 on our consideration of Edison State Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. 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 opinions 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 considered in assessing the results of our audit.

To the Board of Trustees
Edison State Community College

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The management's discussion and analysis presented on pages 3 through 15 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Plante & Moran, PLLC

October 14, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Edison State Community College's (the "College") financial statements provides an overview of the College's financial activities for the years ended June 30, 2011 and 2010. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with College management.

Using This Report

In June 1999, the Governmental Accounting Standards Board ("GASB") released Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This Statement requires a comprehensive look at the entity as a whole and presents a long-term view of the entity's finances. In November 1999, the GASB issued Statement No. 35, *Basic Financial Statements – and Management Discussion and Analysis – for Public Colleges and Universities,* which applies these standards to public colleges and universities.

The standards require three basic financial statements: the statement of net assets, statement of revenues, expenses, and changes in net assets, and the statement of cash flows.

This annual financial report includes the report of independent auditors, this management's discussion and analysis, the basic financial statements in the above-referred format, notes to financial statements, and supplemental information.

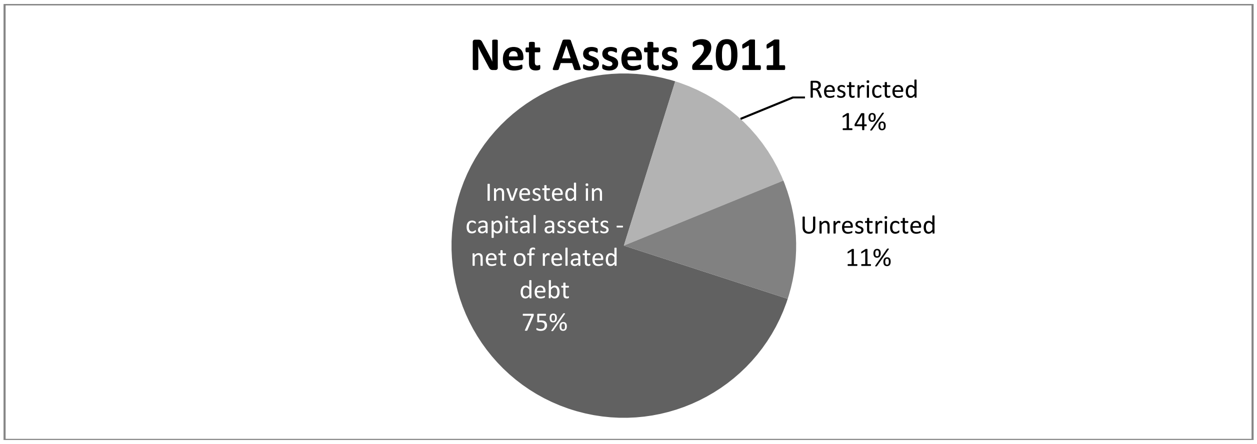
These statements include all assets and liabilities under the accrual basis of accounting, which is the same as the accounting used by most private-sector institutions. All of the current year's revenues and expenses are taken in account regardless of when the cash is received or paid.

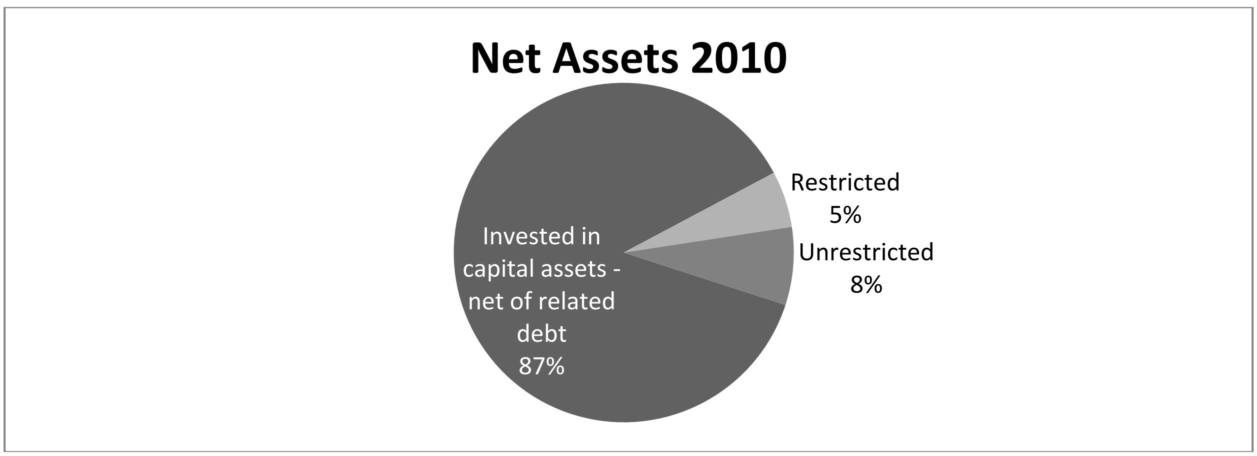
Financial Highlights

In the fiscal year ended June 30, 2011, the College's revenues and other support exceeded expenses, creating an increase in net assets of $2,350,296. However, unrestricted net assets only increased by $894,680. The increase in unrestricted net assets is attributable to increased gross revenues from higher enrollment and tuition rates as well as careful management of expenses. $1,811,893 of the increase in total net assets was the result of the Edison Foundation transferring $2,125,000 of Inventing Tomorrow Together Capital Campaign funds to the College. Those restricted funds can only be used by the College for debt service on the Series 2006 bonds which were issued to finance construction of the Emerson Center.

In addition, the cash and short-term investment position of the College increased by $1,036,462.

The following charts provide a graphical breakdown of net assets by category for the fiscal years ended June 30, 2011 and 2010.





The Statements of Net Assets and the Statements of Revenues, Expenses, and Changes in Net Assets

One of the most important questions asked about the College's finances is whether the College as a whole is better off or worse off as a result of the year's activities. The statements of net assets and the statements of revenues, expenses, and changes in net assets report information on the College as a whole and on its activities in a way that helps answer this question. Over time, increases or decreases in the College's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider many other non-financial factors, such as the trend and quality of applicants, class size, student retention, strength of faculty, condition of the buildings, and the safety of campus, to assess the overall health of the College. As a result of enrollment growth, increased tuition rates, increased state appropriations, and cost containment, the College's financial position was stronger at June 30, 2011. The College's position in fiscal year 2010 was stronger than the prior year primarily as a result of a significant increase in enrollment. An increase in tuition revenue and capital projects funded by the State of Ohio, along with careful management of spending, also contributed to the increase in Net Assets during fiscal year 2010.

The following is a summary of the major components of net assets and operating results of the College as of and for the years ended June 30, 2011, 2010, and 2009:

	2011	2010	2009
Current assets	$ 9,263,487	$ 8,216,034	$ 6,441,499
Noncurrent assets			
Capital assets, net	17,862,192	18,509,053	18,809,707
Other	1,516,451	-	10,000
Total assets	$ 28,642,130	$ 26,725,087	$ 25,261,206
Current liabilities	$ 5,584,429	$ 5,704,124	$ 4,902,188
Noncurrent liabilities	3,820,796	4,134,354	4,402,453
Total liabilities	9,405,225	9,838,478	9,304,641
Net Assets			
Invested in capital assets - net of related debt	14,393,344	14,727,050	14,387,612
Restricted	2,695,999	906,677	681,159
Unrestricted	2,147,562	1,252,882	887,794
Total net assets	19,236,905	16,886,609	15,956,565
Total liabilities and net assets	$ 28,642,130	$ 26,725,087	$ 25,261,206

	Years Ended June 30		
	2011	2010	2009
Operating revenues			
Student tuition and fees	$ 10,289,354	$ 9,373,739	$ 8,416,962
Less grants and scholarships	(6,249,923)	(4,780,011)	(2,566,173)
Net student tuition and fees	4,039,431	4,593,728	5,850,789
Federal grants and contracts	381,116	661,795	869,230
State and local grants and contracts	186,209	210,323	316,217
Auxiliary activities	302,213	830,065	1,392,864
Other operating revenues	196,557	184,251	196,815
Total operating revenues	5,105,526	6,480,162	8,625,915
Operating expenses			
Educational and general instruction			
Instruction	7,887,408	7,409,016	7,335,843
Public service	775,868	777,437	798,127
Academic support	585,725	533,820	454,045
Student services	2,068,881	2,185,489	2,466,215
Institutional support	4,417,859	4,070,714	4,179,988
Plant operations and maintenance	1,573,059	1,556,857	1,354,197
Depreciation	1,023,013	1,132,835	1,060,682
Student aid	231,284	242,286	230,346
Auxiliary enterprises-bookstore	11,020	746,051	1,435,838
Total operating expenses	18,574,117	18,654,505	19,315,281
Operating loss	(13,468,591)	(12,174,343)	(10,689,366)
Nonoperating revenues (expenses) and other revenues			
State appropriations	6,178,613	7,129,112	7,232,364
Federal stabilization funds (ARRA)	1,054,215	1,020,943	-
Federal grants and contracts	6,096,452	3,915,121	2,868,084
Interest expense	(179,820)	(193,611)	(208,258)
Other nonoperating revenues	2,196,969	191,611	513,305
Capital grants	334,249	334,249	289,511
Capital appropriations	138,209	706,962	261,560
Total nonoperating revenues and other revenues	15,818,887	13,104,387	10,956,566
Change in net assets	$ 2,350,296	$ 930,044	$ 267,200

Operating Revenues

Operating revenues include all transactions that result in the sales and/or receipts from goods and services such as tuition and fees and bookstore operations. In addition, certain federal, state, and private grants are considered operating if they are not for capital purposes and are considered a contract for service.

The following factors had a significant impact on the fiscal year 2011 operating revenues:

- Academic year 2010/2011 enrollment was up by 4.9% as compared to the prior year, and fees were increased by 3.46% per credit hour. As a result, student tuition and fees revenue increased by $915,615. However, net student tuition and fees decreased because grants and scholarships increased by 31% - primarily as a result of more students qualifying for Pell Grants.

- Federal grants and contracts revenue decreased by 42%, or $280,679 because the College completed the Department of Labor Community Based Job Training Grant in Fiscal Year 2010. Consequently, there was no significant revenue from that item in 2011.
- In November 2009, Edison State Community College contracted with the Follett Higher Education Group to operate the Edison Bookstore. In accordance with that agreement, Follett pays Edison a commission based on a percentage of the bookstore sales. As a result, Edison no longer recognizes sales revenue for the bookstore, but instead recognizes only the commission revenue. In 2010, the College still recognized the sales revenue for the first five months of the year until Follett assumed responsibility for operating the bookstore. Consequently, revenues from auxiliary activities were $527,852, or 63.6%, lower in 2011 as compared to the fiscal year 2010. However, the College's profits from the bookstore remained very healthy for 2011.
- In addition, the College no longer presents Auxiliary revenues net of grants and scholarships due to the change from sales revenues to commissions.

The following factors had a significant impact on fiscal year 2010 operating revenues:

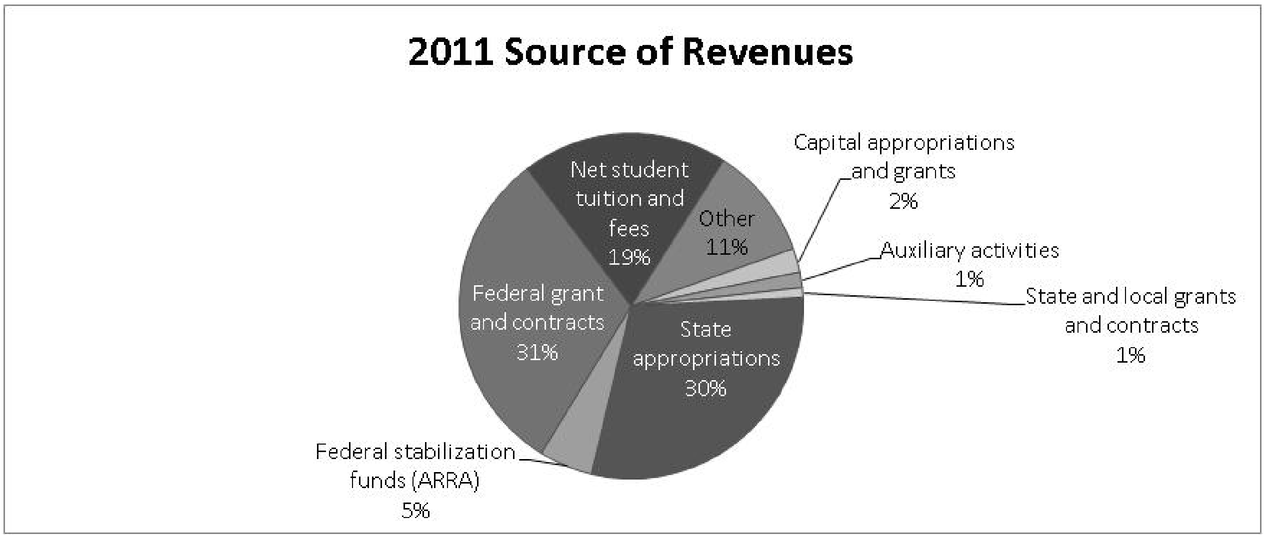
- Academic year 2009/2010 enrollment was up by 10.5% as compared to the 2008/2009 academic year, and fees were increased by 3.48% per credit hour. Consequently, student tuition and fees revenue increased by $956,777, however, net student tuition and fees actually decreased because of the large increase in grants and scholarships. That was driven by a 71% increase in Pell Grant indirect costs due to a much higher percentage of students being eligible for Pell Grants and an increase in the maximum Pell Grant award per student.

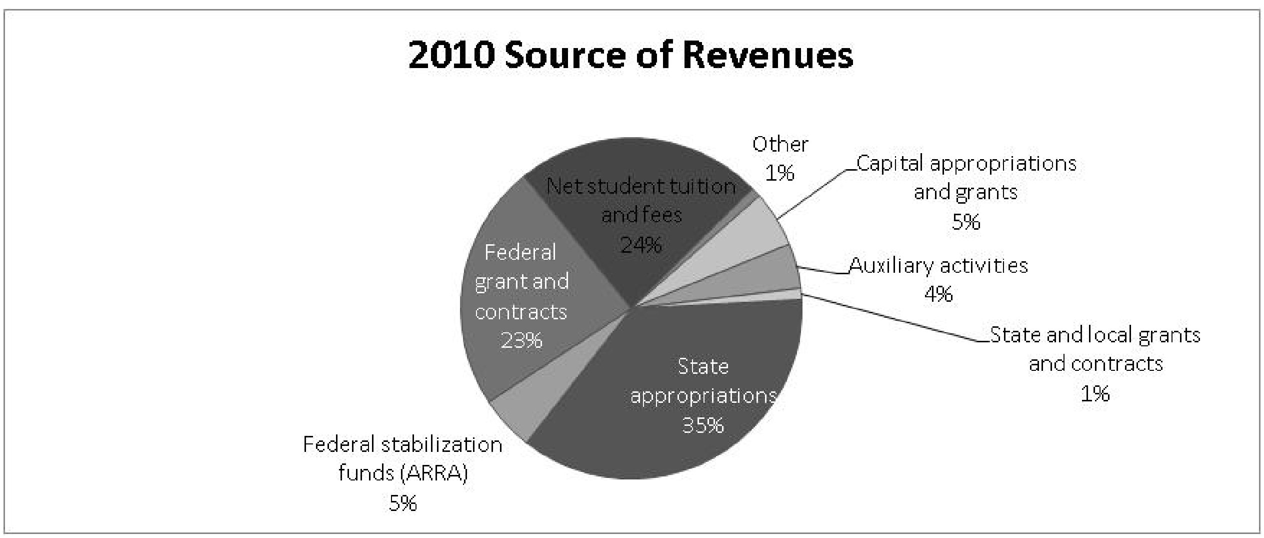
- Federal grant and contract revenue decreased by 24%, or $207,435, primarily due to lower revenue from the Department of Labor Community Based Job Training Grant which had correspondingly lower expenses.
- In November 2009, Edison State Community College contracted with the Follett Higher Education Group to operate the Edison Bookstore. In accordance with that agreement, Follett pays Edison a commission based on a percentage of the Bookstore sales. As a result, Edison recognized the commission revenue for the spring and summer semesters in fiscal year 2010 instead of the sales revenue which it recognized for the fall semester of fiscal year 2010 and all semesters in fiscal year 2009. Consequently, operating revenues for Auxiliary enterprises-bookstore before deductions of grants and scholarships were $709,404, or 38%, lower in 2010 as compared to the prior fiscal year. However, net profits from auxiliary enterprises were not materially affected.

The following factors had a significant impact on fiscal year 2009 operating revenue:

- Student tuition and fees revenue per credit hour remained at the same rate as in fiscal year 2008. However, enrollment for the 2008/2009 academic year increased by 9.4% over the prior year.
- In addition, much of the enrollment growth was experienced in technology-related courses, resulting in higher laboratory fee revenue.
- Federal grant and contract revenue decreased by 36%, or $479,994, primarily due to lower revenue from the Department of Labor Community Based Job Training Grant which had correspondingly lower expenses.

The following is a graphic illustration of total revenues by source:





Operating Expenses

Operating expenses are all the costs necessary to perform and conduct the programs and functions of the College.

Fiscal year 2011 expenses were affected by the following:

- Instructional spending was up by $570,961, or 7.7%, primarily because two vacant dean positions were filled near the beginning of fiscal year 2011 and additional instructors were hired to fill new or vacant positions in sciences, engineering, and information technology. The College also made new investments in classroom technology and nursing accreditation renewal.
- Student services spending was $132,909, or 6.0% lower due to the completion of the Department of Labor Community Based Job Training Grant in the prior year which reduced spending for that initiative by $316,807. That savings was partially offset by increased personnel costs to expand and improve services to students.
- Institutional support spending increased by $311,772. Most of that was due to the retirement of Edison's long-time President, resulting in expenses for a presidential search and the payout of unaccrued benefits. In addition, Edison invested funds for the implementation of new reporting and financial software as well as information technology consulting to improve financial aid processing.
- Depreciation Expense declined by $109,822 as a result of some capitalized equipment being fully depreciated.
- Due to the agreement with Follett Higher Education Group described above under **Operating Revenues**, the College no longer has the expense of cost of goods sold, or personnel for the Edison State Community College Bookstore. Consequently, the 2011 bookstore expenses only reflect the cost software used to link the store's point of sale system with the College's ERP system to enable students to purchases books and supplies with their financial aid. In 2010, the College still recognized the expenses for five months of all operational and merchandise costs for the bookstore. Consequently, the 2011 bookstore expense is only 1.5% of what it was in 2010, and it will remain at a very low level for the foreseeable future.

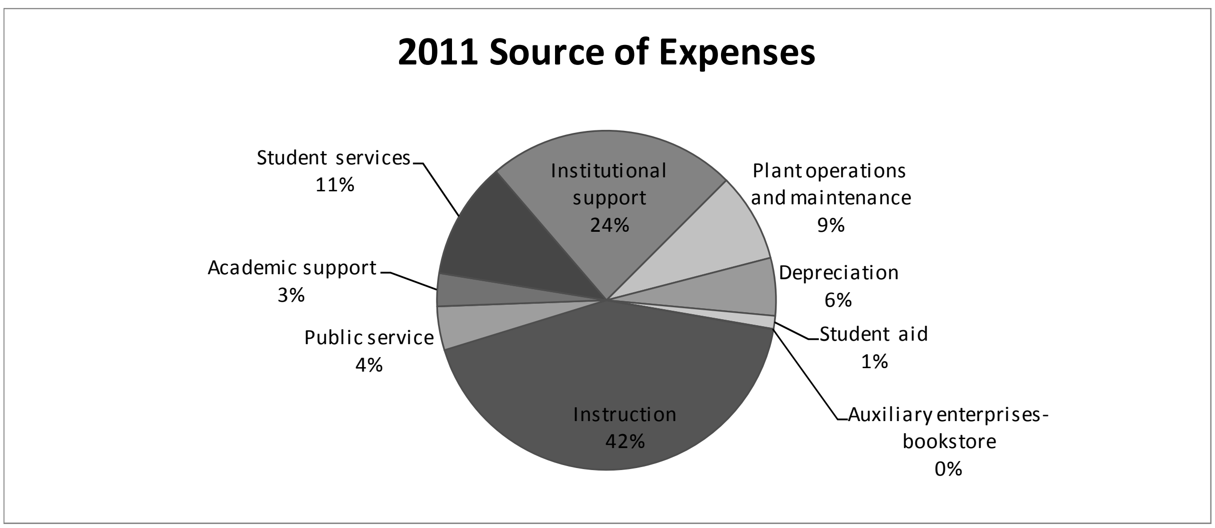
Fiscal year 2010 expenses were affected by the following:

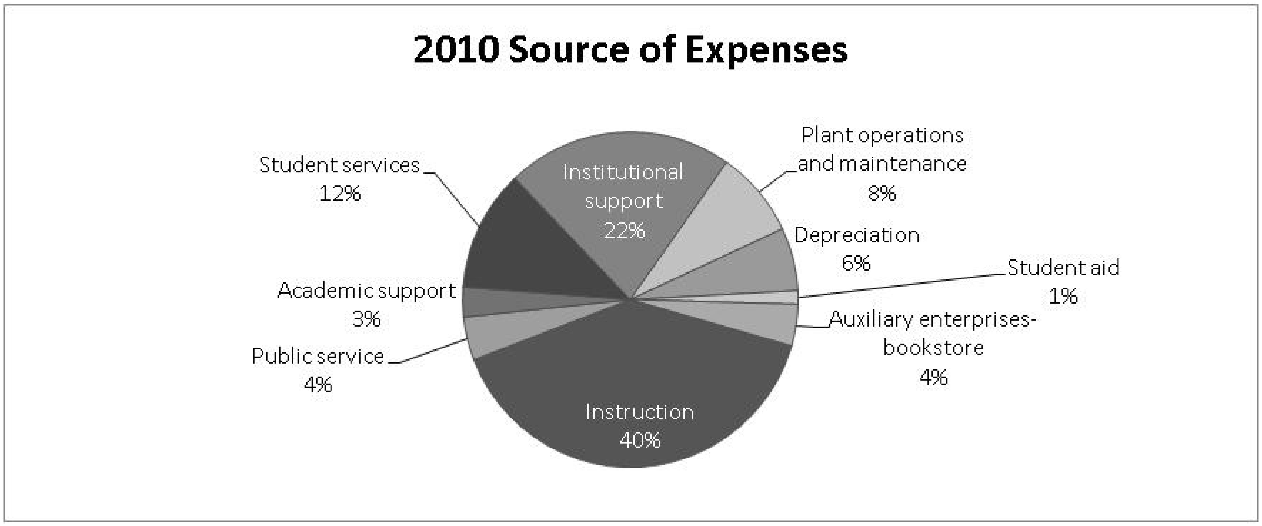
- Full-time faculty received a 3.25% salary increase at the beginning of the 2009/2010 academic year. Administrative and classified staff received a 3% increase in January 2010.
- The Vice President of Education retired at the end of fiscal year 2009, and the Dean of Arts and Sciences resigned in early fiscal year 2010. Rather than filling those positions by external hiring, existing administrators assumed their responsibilities.
- A new process was put into place to improve the control of spending against departmental budgets, and that resulted in lower, overall spending.
- Due to the agreement with Follett Higher Education Group described above, the College no longer has the expense of stocking or staffing the Edison Community College Bookstore. Consequently, the 2010 bookstore expenses only reflect the cost of sales and personnel for five months of operations as well as write-offs for obsolete or unsalable inventory at the time Follett purchased the existing inventory.
- Bad debt expense increased due to the increased enrollment.

Fiscal year 2009 expenses were affected by the following:

- Increase in salary and wages of 3% for administrative and classified personnel
- Increase in faculty salaries of 3.25% and a 1% contractual bonus paid to faculty for enrollment growth
- Hiring three additional nursing department faculty to increase the number of students that the department can educate
- Establishing a physical therapy assisting program and hiring personnel
- Aggressive cost management and containment to lower expenses
- Student services spending decreased by 18%. That was primarily due to a $517,860 reduction in expenses for a Department of Labor Community Based Job Training Grant

The following is a graphic illustration of total expenses by function:




2010 Source of Expenses
Institutional support 22%
Plant operations and maintenance 8%
Depreciation 6%
Student aid 1%
Auxiliary enterprises-bookstore 4%
Instruction 40%
Public service 4%
Academic support 3%
Student services 12%

Nonoperating and Other Revenues

Nonoperating revenues are all revenue sources that are primarily non-exchange in nature. They consist primarily of state appropriations and certain federal grants and contracts.

Fiscal year 2011 nonoperating and other revenue were significantly affected by the following factors:

- Federal grants and contracts increased by $1,160,388 or 23.5% primarily because a higher percentage of students were eligible for Pell Grants, but also because of increased enrollment. The increase in Pell Grants has no direct impact on the College's net assets, because they are subtracted from student tuition and fees under operating revenue.
- State appropriations (State Share of Instruction) increased by 1.5%, or $103,716.
- Gifts from the Foundation increased by $1,929,060, or 780%. That was a result of the Edison Foundation transferring accumulated funds collected by the Inventing Tomorrow Together Capital Campaign to the College. Prior to fiscal year 2011, the Foundation only transferred the amount of Capital Campaign Funds necessary to make debt service payments on the Series 2006 Bonds.
- Capital appropriations decreased $568,753, or 80.5%, because the only state-funded renovation/building project that the College had in fiscal year 2011 was the completion of a project begun in fiscal year 2010 to renovate and create science labs.

Fiscal year 2010 nonoperating and other revenue were significantly affected by the following factors:

- While State appropriations remained relatively unchanged at $7.2 million, 2010 includes $1,020,943 of State Fiscal Stabilization Fund (SFSF) funding from the American Recovery and Reinvestment Act.
- Federal grants and contracts increased by 72% because many more students were eligible for Pell Grants, and the maximum amount available per student also increased.
- Capital appropriations increased by $445,502, or 170%, because of basic renovation funds received from the state - primarily for the replacement of the East Hall roof and a project to renovate and create science labs.
- Other, nonoperational income decreased by $265,277, or 52%, from 2009 levels due to a reduction in gifts from the Edison Foundation. However, the amount given by the Foundation is expected to increase in 2011.

Fiscal year 2009 nonoperating and other revenue were significantly affected by the following factors:

- Annual state appropriations (State Share of Instruction, Access Challenge, Incentive Funding, and Performance Funding) increased by 9.1% or $601,110 from the prior year as a result of the State's continuing commitment to funding higher education.
- Capital subsidies including capital allocation and basic renovation funds totaled $551,071.
- Investment income was 93% lower in 2009 due to lower cash balances and the fact that the College's investments are primarily invested in low-risk, cash equivalents which yielded less than 1% per year in 2009.

Statement of Cash Flows

Another way to assess the financial health of the College is to look at the statement of cash flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the entity during a period. The statement of cash flows also helps users assess:

- An entity's ability to generate future net cash flows
- Its ability to meet its obligations as they come due
- Its needs for external financing

Cash Flows for the Years Ended June 30, 2011, 2010, and 2009

	2011	2010	2009
Cash provided by (used in):			
Operating activities	$ (12,581,056)	$ (10,953,055)	$ (10,343,881)
Noncapital financing activities	15,505,646	12,312,397	10,609,856
Capital and related fnancing activities	(392,281)	(340,179)	(316,226)
Investing activities	(3,286,952)	476	489,594
Net increase (decrease) in cash and cash equivalents	(754,643)	1,019,639	439,343
Cash and cash equivalents - beginning of year	2,252,015	1,232,376	793,033
Cash and cash equivalents - end of year	$ 1,497,372	$ 2,252,015	$ 1,232,376

The College's cash position declined by $754,643 in fiscal year 2011. The primary reason for that decrease was the investment of $1,791,105 of cash in short-term, certificates of deposit which reduced the cash position by a like amount. Cash flows from operating activities declined by $1,628,001 primarily due to an increase in Pell Grant expenses. Cash flows from noncapital financing activities, increased by $3,193,249 as a result of two large items. The first was an increase in Pell Grant revenue which offset the increase in Pell Grant expenses. The second item was the aforementioned $2,125,000 transfer of capital campaign funds from the Foundation. The cash inflows from the transfer were then offset by investing those funds which is reflected in net cash from investing activities.

In fiscal year 2010, the College's cash position increased by $1,019,639, primarily due to revenues exceeding expenses. In addition, the College outsourced its bookstore operations during fiscal year 2010 and eliminated the store's inventory, thus converting it to cash.

Capital Assets

At June 30, 2011, the College had $17.9 million in capital assets, net of accumulated depreciation of $13.5 million. Depreciation charges totaled approximately $1.0 million for the current fiscal year; and $1.1 million for 2010 and 2009.

The net book value of capital assets at June 30, 2011, 2010, and 2009 is as follows:

	2011	2010	2009
Land and land improvements	$ 738,554	$ 759,084	$ 779,614
Building and improvements	6,522,231	6,529,660	6,314,802
Student conference center	3,553,561	3,722,810	3,892,419
Center for Excellence	6,472,826	6,632,637	6,798,318
Equipment	574,915	600,557	945,558
Vehicles	105	5,014	5,925
Capital work in progress	-	259,291	73,071
Total	$ 17,862,192	$ 18,509,053	$ 18,809,707

Long-Term Debt

In December 2010, the College retired a 5.75%, series 2000 Revenue Bond. The College currently has bonds payable which consist of a 4.0% series 2006 General Receipts Bond due December 2026. Scheduled interest and principal payments have been made on the bonds.

For more detailed information on current outstanding debt, see Notes 5 and 6 to the financial statements.

Economic Factors and Future Years' Budgets

The most significant economic issue for the College continues to be the high level of unemployment in the State of Ohio. According to Ohio's Office of Management and Budget, the State's unemployment rate was 8.8% at the end of June 2011. However, that was a significant improvement compared to the recession's peak unemployment rate of 10.6% reached in February of 2010. The level of unemployment has a significant impact on Edison State Community College's revenue – both as a result of changes in enrollment and level of funding from the State of Ohio.

As a result of the high level of unemployment in the state, Edison State Community College's enrollment continued to grow in fiscal year 2011. However, the rate of growth slowed to 4.9% compared to the 10.5% rate of growth in the prior year. So although tuition revenue remained strong in fiscal year 2011, the slowing rate of enrollment growth portends a flat to declining enrollment for fiscal year 2012. Flat or declining enrollment should be partially offset by a 3.5% increase in tuition rates. However, increased tuition rates and fees pose an increased burden on students who also are negatively affected by the poor economy. As a result, those fees will have a further dampening effect on enrollment.

The current recession also creates downward pressure on the State's tax revenues which in turn affect the College's subsidy revenue from the State. Those subsidies from the State of Ohio, formally known as State Share of Instruction (SSI), represented 35% of the College's 2011 revenue. In fiscal year 2011, the State's 23, two-year colleges – which include community, state community, and technical colleges – received a total of $439,550,556 of SSI. Edison's portion of that was $ 7,232,828. The State's current, biennial budget appropriates $39,510,884, (or 9%) less in fiscal year 2012 than it did in fiscal year 2011. Consequently, Edison State Community College based its fiscal year 2012 budget on an assumption of receiving $755,727 less SSI than it received in fiscal year 2012.

That expected reduction in State Share of Instruction revenue in addition to the potential reduction in tuition revenue poses a significant challenge to the College as it attempts to provide greater value to its students and community with fewer financial resources.

The economic recession and lower state tax revenue have also had a negative effect on Edison's share of Ohio's capital appropriations. The Ohio legislature traditionally passes a biennial, capital appropriation bill in the year that it does not pass a biennial operating budget bill. The funds made available by the capital appropriation bill are used by colleges and universities to build new facilities, renovate older facilities for new uses, purchase instructional/information technology equipment, pay down construction-related bonds, or accumulate capital funds for similar purposes. In a more normal economic climate, the Ohio Legislature would have passed a capital appropriation bill for the fiscal years 2011/2012 biennia in calendar year 2010. However, at the time this was written, no capital appropriation bill had been introduced by the legislature, nor is any anticipated. As a result, the College will likely have approximately $1 million dollars less for capital projects over the next two years.

EDISON STATE COMMUNITY COLLEGE
STATEMENTS OF NET ASSETS
Years Ended June 30, 2011 and 2010

	College 2011	College 2010	College Related Foundation 2011	College Related Foundation 2010
Assets				
Current Assets				
Cash and cash equivalents	$ 1,497,372	$ 2,252,015	$ -	$ -
Investments	1,819,365	28,260	-	-
Accounts and pledges receivable (net)	5,782,294	5,749,596	245,900	418,756
Prepaid expenses and other	148,718	171,683	3,950	6,382
Inventories	15,738	14,480	-	-
Total current assets	9,263,487	8,216,034	249,850	425,138
Noncurrent Assets				
Notes receivable, net				
Account and pledges receivable (net)	-	-	207,080	409,743
Restricted investments	1,516,451	-	503,801	2,119,644
Investments	-	-	1,474,496	1,323,107
Capital assets (net)	17,862,192	18,509,053	-	-
Total noncurrent assets	19,378,643	18,509,053	2,185,377	3,852,494
Total assets	$ 28,642,130	$ 26,725,087	$ 2,435,227	$ 4,277,632
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accruals	$ 504,531	$ 370,834	$ 431	$ -
Accrued salaries, wages, and benefits	847,106	781,438	-	-
Deferred revenues	4,013,934	4,238,865	-	-
Capital lease obligation, current	63,858	61,417	-	-
Long-term debt, current	155,000	251,570	-	-
Total current liabilities	5,584,429	5,704,124	431	-
Noncurrent liabilities				
Accrued compensated absences	225,662	320,362	-	-
Capital lease obligation	245,134	308,992	-	-
Long-term debt	3,350,000	3,505,000	-	-
Other liability	-	-	-	-
Total liabilities	9,405,225	9,838,478	431	-
Net Assets				
Invested in capital assets - net of related debt	14,393,344	14,727,050	-	-
Restricted - expendable	2,695,999	906,677	1,358,494	3,297,053
Restricted - nonexpendable	-	-	93,882	93,882
Unrestricted	2,147,562	1,252,882	982,420	886,697
Total net assets	19,236,905	16,886,609	2,434,796	4,277,632
Total liabilities and net assets	$ 28,642,130	$ 26,725,087	$ 2,435,227	$ 4,277,632

EDISON STATE COMMUNITY COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Years Ended June 30, 2011 and 2010

	College 2011	College 2010	College Related Foundation 2011	College Related Foundation 2010
Operating revenue				
Student tuition and fees	$10,289,354	$ 9,373,739	$ -	$ -
Less grants and scholarships	(6,249,923)	(4,780,011)	-	-
Net student tuition and fees	4,039,431	4,593,728	-	-
Federal grants and contracts	381,116	661,795	-	-
State and local grants and contracts	186,209	210,323	-	-
Auxiliary enterprises - bookstore, net of grants and scholarships of $309,904 in 2010	302,213	830,065	-	-
Gifts	-	-	326,710	435,732
Other operating revenue	196,557	184,251	-	-
Total revenues, gains and other support	5,105,526	6,480,162	326,710	435,732
Operating expenses				
Instruction	7,887,408	7,409,016	-	-
Public service	775,868	777,437	-	-
Academic support	585,725	533,820	-	-
Student services	2,068,881	2,185,489	-	-
Institutional support	4,417,859	4,070,714	191,313	165,336
Plant operations and maintenance	1,573,059	1,556,857	-	-
Depreciation and amortization	1,023,013	1,132,835	-	-
Student aid	231,284	242,286	-	-
Auxiliary enterprises	11,020	746,051	-	-
Total operating expenses	18,574,117	18,654,505	191,313	165,336
Operating (loss) income	(13,468,591)	(12,174,343)	135,397	270,396
Nonoperating revenues (expenses)				
Federal grants and contracts	6,096,452	4,936,064	-	-
State appropriations	6,178,613	6,108,169	-	-
Federal stabilization fund (ARRA)	1,054,215	1,020,943	-	-
Gifts - including $2,176,280 and $245,605 from Foundation for 2011 and 2010, respectively	2,176,366	247,220	48,350	33,640
Investment income, net of expense	20,603	4,873	175,635	99,711
Interest expense	(179,820)	(193,611)	-	-
Transfer to Edison Foundation	-	(60,482)	-	-
Transfer from Edison Foundation	-	-	(2,202,218)	(245,605)
Total nonoperating revenues (expenses)	15,346,429	12,063,176	(1,978,233)	(112,254)
Income (loss) before other revenues, expenses, gains, or losses	1,877,838	(111,167)	(1,842,836)	158,142
Capital grants	334,249	334,249	-	-
Capital appropriation	138,209	706,962	-	-
Total other revenues	472,458	1,041,211	-	-
Change in Net Assets	2,350,296	930,044	(1,842,836)	158,142
Net assets at beginning of year	16,886,609	15,956,565	4,277,632	4,119,490
Net assets at end of year	$19,236,905	$16,886,609	$ 2,434,796	$ 4,277,632

EDISON STATE COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Student tuition and fees	$ 4,696,900	$ 5,196,455
Grants and contracts	(288,841)	338,421
Payments to vendors and employees	(17,428,953)	(17,364,556)
Auxiliary enterprises	302,213	830,065
Other receipts	137,625	46,560
Net cash from operating activities	(12,581,056)	(10,953,055)
Cash flows from noncapital financing activities		
State appropriations	7,232,828	7,129,112
Federal grants and contracts	6,096,452	4,936,064
Gifts	2,176,366	247,221
Net cash from noncapital financing activities	15,505,646	12,312,397
Cash flows from capital and related financing activities		
Capital grants	334,249	334,249
Capital appropriations	138,209	706,962
Purchases of capital assets	(371,932)	(832,181)
Interest paid on outstanding debt	(179,820)	(193,611)
Transfer to Foundation	-	(60,482)
Principal paid on outstanding debt	(312,987)	(295,116)
Net cash from capital and related financing activities	(392,281)	(340,179)
Cash flows from investing activities		
Proceeds (loss) from maturities of investments	313,108	(332)
Purchase of Investments	(3,620,663)	-
Interest on investments	20,603	808
Net cash from investing activities	(3,286,952)	476
Net change in cash and cash equivalents	(754,643)	1,019,639
Cash and cash equivalents, beginning of year	2,252,015	1,232,376
Cash and cash equivalents, end of year	$ 1,497,372	$ 2,252,015
Reconciliation of operating loss to net cash from operating activities:		
Operating loss	$ (13,468,591)	$ (12,174,343)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	1,018,792	1,132,835
Changes in assets and liabilities:		
Accounts receivable	(32,698)	(994,187)
Inventories	(1,258)	266,690
Prepaid expenses and other	22,965	(13,003)
Accounts payable and accruals	133,697	27,627
Accrued salaries, wages, and benefits	(29,032)	(120,135)
Deferred student fee income	(224,931)	921,461
Net cash from operating activities	$ (12,581,056)	$ (10,953,055)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Edison State Community College (the "College") was chartered in 1973 under provisions of the Ohio Revised Code as the first State General and Technical College in Ohio. The College thus emerged without special local taxation as a two-year, public, co-educational, state-supported institution of higher learning. The College is exempt from federal income taxes pursuant to provisions of Section 115 of the Internal Revenue Code. Under its charter, the College is authorized to offer studies in the Arts and Sciences, Technical Education, and Adult Technical Education. The College, which is a component unit of the State of Ohio, is governed by a nine-member Board of Trustees. These members are appointed by the Governor of the State of Ohio.

Accrual Accounting: The accompanying financial statements have been prepared on the full accrual basis of accounting, whereby revenue is recognized in the period earned, or in the case of advances from other governments, when all eligibility requirements are met in accordance with Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Expenditures are recognized when the related liabilities are incurred.

Financial Statements: The College reports as "business-type activities," as defined by GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities.* Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Pursuant to GASB Statement No. 35, the College follows GASB guidance as applicable to its business-type activities, and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

The College has adopted GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This statement amends GASB Statement No. 14 to provide additional guidance for determining whether or not certain organizations, such as not-for-profit foundations, for which the primary institution is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the primary institution. The College has determined that the Edison Foundation, Inc. is a component unit of the College. The financial activity of the Edison Foundation, Inc. is included through a discrete presentation as part of the College's financial statements.

Net Asset Classifications: In accordance with GASB Statement No. 35 guidelines, the College's resources are classified into the following net asset categories:

Invested in Capital Assets. Capitalized physical assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted – Expendable. Net assets related to grants and contracts activity, whose use is subject to externally imposed restrictions.

Restricted - Nonexpendable. Net assets represent endowment contributions from donors that are permanently restricted as to principal.

Unrestricted. Net assets that are not subject to externally imposed restrictions. Unrestricted net assets may be designated for specific purposes by the Board of Trustees. Substantially all of the College's unrestricted net assets are designated for future uses or contingences.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Versus Nonoperating Revenues and Expenses: The College defines operating activities as reported on the statement of activities as those that generally result from exchange transactions such as payments received for providing goods or services and payments made for goods or services received. All of the College's expenses are from exchange transactions. Certain significant revenue streams relied on for operations are reported as non-operating revenues as required by GASB Statement No. 35 and recent updates in the GASB's *Implementation Guide*, including state appropriations, investment income, and state capital grants.

Cash and Cash Equivalents: For the purposes of the statements of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash, certificates of deposit, and money market funds, stated at cost which approximates fair value.

Accounts Receivable: Accounts receivable primarily consist of tuition and fee charges to students. Accounts receivable also include amounts due from federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. Allowance is determined based on historical analysis.

Deferred Revenues: Deferred revenues consist of the unearned portion of student tuition and fees for the summer session, and all of the recorded student tuition and fees collected resulting from early registration for the fall session. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Investments: The College accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statements of revenues, expenses, and changes in net assets.

Capital Assets: Capital assets are recorded at cost or, if acquired by gift, at fair value at the date of the gift. When capital assets are sold or otherwise disposed of, the net carrying value of such assets is removed from the accounts and the Invested in capital assets - net of related debt component of net assets is adjusted accordingly. Capital assets, with the exception of land, are depreciated on the straight-line method over the following estimated useful lives:

Buildings and improvements	10 - 40 years
Equipment and fixtures	3 - 20 years

The College's capitalization limit for equipment and furniture and fixtures is $5,000.

Grants and Scholarships: Student tuition and fees and bookstore revenues are presented net of grants and scholarships applied directly to student accounts. Grants and scholarships consist primarily of awards to students from the Federal Pell Grant Program. Payments made directly to students from grants and scholarships are presented as student aid.

Compensated Absences: Vested or accumulated vacation leave is recorded as an expenditure and liability of the current funds as the benefits accrue to employees. In accordance with the applicable accounting standards, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for an estimate of the amount of accumulated sick leave benefits that will be paid.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Reclassifications: Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on the change in net assets or total net assets.

NOTE 2 - CASH AND INVESTMENTS

The College's Board of Trustees is responsible for establishing deposit and investment policies. Once established, the Board has delegated the day-to-day management to the Controller of the College. Deposit and investment policies are developed to insure compliance with state laws and regulations as well as to establish and maintain sound financial management practices. In accordance with the State of Ohio's and the College's policy, the College is authorized to invest cash in certificates of deposit, repurchase agreements, United States Treasury securities, federal government agency securities backed by the full faith of the government, municipal securities, and the State Treasurer's investment pool.

Cash and Cash Equivalents: At June 30, 2011, the carrying amount of the College's cash and cash equivalents was $1,497,372 (included in cash and cash equivalents in the statements of net assets) and the bank balances were $1,679,248. The differences between carrying amounts and bank balances are primarily due to outstanding checks and deposits in transit at June 30, 2011. Of the bank balances, the amounts covered by federal depository insurance were $1,334,105. The remaining balances of $345,143 were invested in United States government securities. These arrangements are in compliance with the Ohio Revised Code.

Included in cash and cash equivalents is $12,226 which was on deposit in the State Treasurer's investment pool (STAR Ohio). STAR Ohio is an investment pool managed by the Ohio State Treasurer's office that allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. The College's deposit is valued at the pool's share price, which is the price the investment could be sold for on June 30, 2011. STAR Ohio has an AAA rating.

Investments: Investments are stated at their fair value of $3,335,816 and are invested in certificates of deposit covered by federal depository insurance.

The fair value and cost of deposits and investments, by type, at June 30, 2011 and 2010 are as follows:

	2011	2010
Cash	$ 1,485,146	$ 2,239,803
STAR Ohio	12,226	12,212
Certificates of deposit	3,335,816	28,260
Total	$ 4,833,188	$ 2,280,275

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

The following tables present information about the College's assets measured at fair value on a recurring basis at June 30, 2011 and 2010 and the valuation techniques used by the Foundation to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of fair value. The College has investments that are valued using Level 1 inputs, which are obtained directly from investment statements prepared by the institution holding the investments.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets or liabilities in active markets or non-active markets (markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which there is little information released to the public). An example of a Level 2 input would be a price quote from a brokered market.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. However, the fair value measurement objective remains the same as it would for Level 1 and 2 inputs, in that it is based on an exit price from the perspective of a market participant that holds the asset or liability. In addition, Level 3 inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The College's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

	Fair Value Measurements at June 30, 2011 Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Fixed income - Domestic	$ 677,974	$ -	$ -
Fixed income - International	52,177	-	-
Fixed income - U.S. agencies	206,756	-	-
Equities - Domestic	468,675	-	-
Equities - International	68,914	-	-
Total	$ 1,474,496	$ -	$ -

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

	Fair Value Measurements at June 30, 2010 Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Fixed income - Domestic	$ 565,207	$ -	$ -
Fixed income - International	51,360	-	-
Fixed income - U.S. agencies	257,048	-	-
Equities - Domestic	411,520	-	-
Equities - International	37,972	-	-
Total	$ 1,323,107	$ -	$ -

NOTE 3 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2011 and 2010 consist of billings for student fees and receivables arising from grants and are summarized as follows:

	2011	2010
Student charges	$ 4,099,349	$ 3,841,294
Post secondary enrollment options program	1,376,243	1,394,241
Other	915,529	1,014,355
Allowance for doubtful accounts	(608,827)	(500,294)
Total	$ 5,782,294	$ 5,749,596

(Continued)

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in the capital assets and related accumulated depreciation during the 2011 and 2010 fiscal years:

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Cost:				
Land	$ 688,414	$ -	$ -	$ 688,414
Land improvements	569,075	-	-	569,075
Buildings and improvements	12,807,606	403,475	-	13,211,081
Student conference center	6,208,972	-	-	6,208,972
Center for Excellence	7,138,503	-	-	7,138,503
Equipment	3,549,101	226,855	(334,365)	3,441,591
Vehicles	80,162	-	(6,000)	74,162
Capital work in progress	259,291	-	(259,291)	-
Total	31,301,124	630,330	(599,656)	31,331,798
Less accumulated depreciation:				
Land improvements	498,405	20,530	-	518,935
Buildings and improvements	6,277,946	410,904	-	6,688,850
Student conference center	2,486,162	169,249	-	2,655,411
Center for Excellence	505,866	159,811	-	665,677
Equipment	2,948,544	253,391	(335,259)	2,866,676
Vehicles	75,148	4,907	(5,998)	74,057
Total	12,792,071	1,018,792	(341,257)	13,469,606
Capital assets - Net	$18,509,053	$ (388,462)	$ (258,399)	$ 17,862,192

(Continued)

NOTE 4 - CAPITAL ASSETS (Continued)

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010
Cost:				
Land	$ 688,414	$ -	$ -	$ 688,414
Land improvements	569,075	-	-	569,075
Buildings and improvements	12,734,582	571,342	(498,318)	12,807,606
Student conference center	6,208,972	-	-	6,208,972
Center for Excellence	7,138,503	-	-	7,138,503
Equipment	3,474,482	74,619	-	3,549,101
Vehicles	80,162	-	-	80,162
Capital work in progress	73,071	186,220	-	259,291
Total	30,967,261	832,181	(498,318)	31,301,124
Less accumulated depreciation:				
Land improvements	477,875	20,530	-	498,405
Buildings and improvements	6,419,780	356,484	(498,318)	6,277,946
Student conference center	2,316,553	169,609	-	2,486,162
Center for Excellence	340,185	165,681	-	505,866
Equipment	2,528,924	419,620	-	2,948,544
Vehicles	74,237	911	-	75,148
Total	12,157,554	1,132,835	(498,318)	12,792,071
Capital assets - Net	$18,809,707	$ (300,654)	$ -	$ 18,509,053

There were no significant commitments remaining at year end for work in progress.

NOTE 5 - NONCURRENT LIABILITIES

Noncurrent liabilities as of June 30, 2011 and 2010 are summarized as follows:

	2011					
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Bond obligations	$ 3,756,570	$ -	$ 251,570	$ 3,505,000	$ 155,000	$ 3,350,000
Capital lease obligation	370,409	-	61,417	308,992	63,858	245,134
Total	4,126,979	-	312,987	3,813,992	218,858	3,595,134
Compensated absences	637,105	12,797	136,130	513,772	288,110	225,662
Total	$ 4,764,084	$ 12,797	$ 449,117	$ 4,327,764	$ 506,968	$ 3,820,796

(Continued)

NOTE 5 - NONCURRENT LIABILITIES (Continued)

	2010					
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Bond obligations	$ 3,992,618	$ -	$ 236,048	$ 3,756,570	$ 251,570	$ 3,505,000
Capital lease obligation	429,477	-	59,068	370,409	61,417	308,992
Total	4,422,095	-	295,116	4,126,979	312,987	3,813,992
Compensated absences	664,252	81,809	108,956	637,105	316,743	320,362
Total	$ 5,086,347	$ 81,809	$ 404,072	$ 4,764,084	$ 629,730	$ 4,134,354

During the year ended June 30, 2000, the College issued Bookstore Revenue Bonds, series 2000 for $800,000 at an interest rate of 5.75%. The bonds were used for paying costs of acquiring an information management system. Those bonds were retired in December 2010.

During the year ended June 30, 2007, the College issued General Receipts Bonds, series 2006 for $4,060,000 that bear interest at rates between 4.0% to 5.0% and that mature in 2027. Proceeds were used for paying construction costs of the Regional Learning Center. The bonds are collateralized by a pledge of general receipts of the College.

The College entered into the capital lease during the year ended June 30, 2006 to acquire energy conservation equipment. Payment is made at a quarterly amount of $18,749 that includes interest at an annual rate of 3.907% over a 10-year term ending in 2016.

The annual debt service requirements to maturity for the bonds payable are as follows:

Year Ending June 30	Principal	Interest	Total
2012	$ 155,000	$ 157,008	$ 312,008
2013	160,000	150,708	310,708
2014	165,000	144,208	309,208
2015	175,000	137,189	312,189
2016	180,000	129,645	309,645
2017-2021	1,050,000	285,550	1,335,550
2022-2026	1,320,000	217,300	1,537,300
2027	300,000	226,732	526,732
Total	$ 3,505,000	$ 1,448,340	$ 4,953,340

(Continued)

NOTE 5 - NONCURRENT LIABILITIES (Continued)

The following is a schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2011:

Year Ending June 30	
2012	$ 74,996
2013	74,996
2014	74,996
2015	74,996
2016	38,461
Total minimum lease payment	338,445
Less amount representing interest	29,453
Present value of future minimum lease payments	$ 308,992

Accrued compensated absences - The College provides vacation benefits to employees, as defined by each respective labor contract and administrative policy. The liability has been recorded based on the number of days available for each employee. Additionally, the College accrues unused sick days for those union employees who have met the conditions of the plan at year end.

NOTE 6 - STATE SUPPORT

The College is a State-assisted institution of higher education which receives a student-based subsidy determined annually using a formula devised by the Ohio Board of Regents.

In addition to the student subsidies, the State of Ohio provides the funding for construction and renovation of major plant facilities on the College campus. The funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission (OPFC), which in turn provides for the construction and renovation of the facility by the Ohio Board of Regents. Upon completion of a construction project, the Board of Regents turns over control to the College which capitalizes the cost. Renovations are capitalized in the period incurred. In 2011, the renovation of the existing science labs and the repurpose of classrooms as additional labs was completed. In 2010, the West Hall roof was replaced and a project was begun to renovate existing science labs and repurpose classrooms for additional science lab space.

Neither the obligation for the revenue bonds issued by the OPFC nor the annual debt service charges for principal and interest on the bonds are reflected in the College's financial statements. These are currently being funded through appropriations to the Board of Regents by the Ohio 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 established in the custody of the Treasurer of State. If sufficient monies are not available from this fund, a requirement exists to assess a special student fee uniformly applicable to students in state-assisted institutions of higher education throughout the state.

(Continued)

NOTE 7 - LEASE AGREEMENT

The College currently has a five-year lease agreement effective September 1, 2011 with Darke County Board of Commissioners for the facilities located in Greenville, Ohio with the option to renew for an additional five-year term. The annual rental expense under this agreement is $107,856.

At June 30, 2011, minimum lease payments under this lease are as follows:

Year Ending June 30		
2012		$ 107,856
2013		107,856
2014		107,856
2015		107,856
2016		107,856
	Total minimum lease payment	$ 539,280

NOTE 8 - RETIREMENT PLANS

College faculty participate in either the State Teachers Retirement System of Ohio (STRS) or alternative retirements plan (ARP). Substantially all other employees participate in either the Ohio Public Employees Retirement System (OPERS) or the ARP. Both STRS and OPERS are state-wide, cost-sharing, multi-employer plans. OPERS and STRS provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits for STRS and OPERS is provided by state statute by Chapters 3307 and 145, respectively, of the Ohio Revised Code.

The financial statements and supplemental information for OPERS and STRS are made available for public inspection. The reports may be obtained by writing or calling:

OPERS
277 East Town Street
Columbus, OH 43215-4642
(614) 222-6705

STRS
275 East Broad Street
Columbus, OH 43215-3771
(614) 227-4002

The Ohio Revised Code provides statutory authority for employee and employer contributions. Effective January 1, 2010, the employee contribution rate was 10% for employees other than law enforcement. Effective January 1, 2010, the employer contribution rate for local government employers was 14%. The contribution requirements of plan members and the College are established and may be amended by state statute.

The College's contributions to OPERS and STRS for the years ended June 30, 2011, 2010, and 2009 were as follows:

	Contribution	
Years	OPERS	STRS
2011	$ 516,542	$ 704,701
2010	485,071	681,089
2009	496,259	622,310

(Continued)

NOTE 8 - RETIREMENT PLANS (Continued)

The contributions made by the College were equal to the required contributions for each year.

Certain full-time College faculty and unclassified staff have the option to choose the ARP in place of STRS or OPERS. The ARP is a defined contribution plan, which provides employees with the opportunity to establish individual retirement accounts with a defined group of investment options, with each participant having control of the assets and investment options associated with those assets. The administrators of the Plan are the providers of the Plan investment options. Authority to establish and amend benefits and contribution requirements for the ARP is provided by state statute per the Ohio Revised Code.

Under the provisions of ARP, the required contribution rates of plan participants are 10.0% of employees' covered compensation for employees who would otherwise participate in STRS or OPERS. The College contributes 10.5% of a participating faculty member's compensation and 13.23% of a participating non-faculty compensation to the participant's account. The College is also required to contribute an additional 3.5% of employees' covered compensation to STRS and .77% of employees' covered compensation to OPERS. Plan participants' contributions to STRS and OPERS were $72,881 and $59,718 and the College contributions to the Plan providers amounted to $88,971 and $70,663, respectively, for the years ended June 30, 2011 and 2010. In addition, the amounts contributed to STRS and OPERS by the College on behalf of ARP participants were $17,234 and $14,728, respectively, for the years ended June 30, 2011 and 2010.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

STRS provides other postemployment benefits to all retirees and their dependents, while OPERS provides postretirement healthcare coverage to age and service restraints (and dependents) with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available under OPERS. A portion of each employer's contributions is set aside for the funding of postretirement health care. For STRS, this rate was 1% of the total 14% while the OPERS rate was .77% of the total 14% for the year ended June 30, 2011.

The Ohio Revised Code provides the statutory authority for public employers to fund postretirement health care through their contributions to STRS and OPERS. Postretirement health care under STRS is financed on a pay-as-you-go basis. Assets available in the health care reserve fund for STRS amounted to $2.8 billion as of June 30, 2010. The number of benefit recipients eligible for OPEB was 133,103 for STRS at June 30, 2010. The amount contributed by the College to STRS to fund these benefits was $50,336 for the year ended June 30, 2011.

Postretirement health care under OPERS is advanced-funded on an actuarially determined basis. The actuarial value of OPERS net assets available for OPEB at December 31, 2009 is $10.9 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $31.6 billion and $29.6 billion, respectively. The number of OPERS active contributing participants was 356,734 for the year ended December 31, 2010. For the year ended June 30, 2011, the College contributed $23,219 to OPERS for OPEB funding. Contributions equal the actuarially required contributions of the Plan for each year.

(Continued)

NOTE 10 - INSURANCE

The College maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. The College also carries professional coverage for employees and its Board of Trustees. Over the past three years, settlement amounts related to these insured risks have not exceeded the College's coverage amounts. There has been no significant change in coverage from last year.

NOTE 11 - CONTINGENCIES

The College receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. It is the opinion of management that any potential disallowance of claims would not have a material effect on the financial statements.

NOTE 12 - FEDERAL DIRECT LENDING PROGRAM

The College distributed $7,852,665 for student loans through the U.S. Department of Education federal direct lending program for the year ended June 30, 2011. The College did not participate in the federal direct lending program during the year ended June 30, 2010. These distributions and related funding source are not included as expenses or revenues in the accompanying financial statements.

NOTE 13 - RELATED ORGANIZATION

The Edison Foundation, Inc. (the "Foundation") is a separate not-for-profit entity organized for the purpose of promoting educational activities of the College. Since these resources held by the Foundation can be used only by and for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. The up to 25-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Amounts transferred to the College from the Foundation are recorded as nonoperating gifts in the accompanying financial statements.

The Foundation reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations.* As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. Complete financial statements for the Foundation can be obtained from Edison State Community College, 1973 Edison Drive, Piqua, OH 45356.

The following is a summary of the Foundation's significant accounting and reporting policies presented to assist the reader in interpreting the financial statements and other data in this report.

<u>Cash and Cash Equivalents</u>: The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(Continued)

NOTE 13 - RELATED ORGANIZATION (Continued)

Contributions: Donations are recorded as revenues in the year received or when a bequest is legally finalized. Unconditional pledges are recorded in the period that the pledges are received. Conditional pledges are recorded in the period in which the conditions have been met. Funds from pledges to be collected in future years are recorded at net present value. All pledges are net of an allowance for doubtful collections.

Pledges receivable: As of June 30, 2011 and 2010, contributors to the Foundation have outstanding unconditional pledges totaling $506,650 and $1,045,155, respectively. Gross pledges receivable have been discounted to a net present value of $466,990 and $890,859 as of June 30, 2011 and 2010, respectively, which represents fair market value. The discount rate was 5% for 2011 and 2010. An allowance for doubtful pledges of $14,010 and $62,360 has been applied to the gross receivable balance as of June 30, 2011 and 2010, respectively. The allowance is based upon management's judgment, past collection experience and other relevant factors. All pledges have been classified as temporarily restricted net assets since they will either expire or be fulfilled within a specified period of time. Net pledges are as follows:

	2011	2010
Less than one year	$ 245,900	$ 418,756
One to five years	207,080	409,743
Total	$ 452,980	$ 828,499

Investments: Investments are stated at fair value, and realized and unrealized gains and losses are reflected in the statements of revenues, expenses, and changes in net assets. Fair value is determined by market quotes. Donated investments are recorded at the fair market value at the time received. Realized gains or losses are determined based on the average cost method.

Investments by major types for the years ended June 30, 2011 and 2010 are as follows:

	2011	2010
Corporate bonds	$ 465,261	$ 499,481
Equities	348,399	304,900
Mutual funds - Fixed income	471,646	374,133
Mutual funds - Equities	189,190	144,593
Total	$ 1,474,496	$ 1,323,107

Net realized gains on sale of investments were $127,892 and $50,968 for the years ended June 30, 2011 and 2010, respectively. There were no capital gains distributions in either year.

Net assets: Net assets are classified into three categories: (1) unrestricted net assets, which have no donor-imposed restrictions, (2) temporarily restricted net assets, which have donor-imposed restrictions that will expire or be satisfied in the future, and (3) permanently restricted net assets, which have donor-imposed restrictions that neither expire by passage of time nor can be fulfilled by actions of the Foundation.

(Continued)

NOTE 14 - UPCOMING ACCOUNTING PRONOUNCEMENTS

Service Concession Arrangements: In December 2010, the GASB issued Statement Number 60, *Accounting and Financial Reporting for Service Concession Arrangements (SCA).* An SCA is an agreement between a College/University and another legally separate College/University or private sector entity in which two things happen. First, the College/University transfers to the other entity the right and related obligation to provide public services through the use of a public asset (such as using a part of a university facility as a bookstore) in exchange for significant consideration from the other entity. In the context of these agreements the College/University that transfers rights and obligations is referred to as the transferor. The entity to which these rights and obligations are transferred is referred to as the operator. Second, this operator—whether it is in the public or private sector—collects fees from the users or customers of the public asset (for example, students at the university/college). Finally, the transferor maintains control over the services provided. For example, the College/University has the ability to modify or approve the rates that can be charged for the services and the type of services that are provided.

For an SCA that involves an existing facility, the transferor should continue to report the capital asset. For a new facility or an improvement to an existing facility, the transferor should report the new facility or the improvement as a capital asset at fair value when the facility is placed in operation. The transferor should also report any related contractual obligations as liabilities. Finally, the transferor should report the difference between those two amounts as a deferred inflow of resources. This pronouncement must be applied for years that begin after December 15, 2011.

Reporting Entity Standards: In December 2010, the GASB issued Statement Number 61, *Financial Reporting Entity: Omnibus*. This standard is intended to improve the information presented about the financial reporting entity, which is made up of the College/University financial reporting entity and related entities (component units). The statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criteria, a financial benefit or burden relationship is also needed between the College/University and that organization for it to be included in the reporting entity as a component unit. The statement also modifies the criteria for reporting component units as if they were part of the College/University (i.e., blending). Blending should be used when the College/University and the component unit have a financial benefit or burden relationship, or management has operational responsibility for the component units. Additionally, for equity interests in legally separate organizations, the entity is required to report its interest as "restricted net assets – nonspendable." This standard is effective for financial statements for reporting periods beginning after June 15, 2012; however, earlier application is encouraged.

Private Sector Accounting Rules: In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This changes the requirement for the College/University to apply any private sector accounting guidance that existed as of November 30, 1989 and instead incorporates all such guidance in this statement. The College/University will no longer have the ability to choose to continue to follow FASB statements written after that date, although such guidance still qualifies as "other accounting literature" in the GAAP hierarchy. This pronouncement must be applied for years that begin after December 15, 2011.

(Continued)

NOTE 14 - UPCOMING ACCOUNTING PRONOUNCEMENTS (Continued)

Deferred inflows/outflows and Net Position: In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard provides financial reporting guidance for deferred inflows and outflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the College/University that is applicable to a future reporting period, and an acquisition of net assets by the College/University that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The standard also incorporates deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The provisions for this standard are effective for financial statements for periods beginning after December 15, 2011.

Derivative Instruments - Termination Provisions: In June 2011, the GASB issued Statement No. 64 *Derivative Instruments: Application of Hedge Accounting Termination Provisions*—an amendment of GASB Statement No. 53. This statement clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider and sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The requirements of this Statement enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2011.

(Continued)

SUPPLEMENTAL INFORMATION

EDISON STATE COMMUNITY COLLEGE
Board of Trustees and Administrative Personnel
June 30, 2011

Board of Trustees	**Title**	**Term of Office**
Mrs. Judith K. Hartman	Vice Chairman	2007-2013
Mr. Ed Curry	Chairman	2007-2013
Mrs. J. Kathryn Lukey	Trustee	2007-2013
Mr. Jim Thompson	Trustee	2009-2015
Mrs. Mary K. Floyd	Trustee	2009-2015
Mr. Roger E. Luring	Trustee	2009-2015
Mr. Darryl D. Mehaffie	Trustee	2011-2017
Mr. Thomas P. Milligan	Trustee	2011-2017
Mr. Tony Wendeln	Trustee	2011-2017

College Administration	**Title**
Dr. Cristobal Valdez	President
Ms. Sharon Brown	Senior Vice President for Academic Affairs
Mr. Daniel R. Reke	Vice President for Administration and Finance
Mr. David Gansz	Vice President of Information Technology
Ms. Debbie A. Hirtzinger	Controller
Ms. Kathi Richards	Director of Financial Aid
Mrs. Terri Jacomet	Vice President of Institutional Advancement
Mrs. Linda Peltier	Vice President of Strategic Human Resources

Insurance
All employees were insured with Ohio Casualty for $1,000,000. The effective date of the policy is July 1, 2010 to June 30, 2011.

Legal Counsel
Mike DeWine, Ohio Attorney General
Education Section
30 E. Broad St., 16th Floor
Columbus, OH 43215

College Location
1973 Edison Drive
Piqua, Ohio 45356

Plante & Moran, PLLC
3434 Granite Circle
Toledo, OH 43617
Tel: 419.843.6000
Fax: 419.843.6099
plantemoran.com

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*

To the Board of Trustees
Edison State Community College

We have audited the financial statements of Edison State Community College as of and for the year ended June 30, 2011 and have issued our report thereon dated October 14, 2011. 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.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 Edison State Community College’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

To the Board of Trustees
Edison State Community College

This report is intended solely for the information and use of management, the board of trustees, others within the entity, 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.

Plante & Moran, PLLC

October 14, 2011

Plante & Moran, PLLC
3434 Granite Circle
Toledo, OH 43617
Tel: 419.843.6000
Fax: 419.843.6099
plantemoran.com

Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of Trustees
Edison State Community College

Compliance

We have audited the compliance of Edison State Community College with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The major federal programs of Edison State Community College 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 Edison State Community College's management. Our responsibility is to express an opinion on Edison State Community College's compliance based on our audit.

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

In our opinion, Edison State Community College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

To the Board of Trustees
Edison State Community College

Internal Control Over Compliance

The management of Edison State Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Edison State Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the board of trustees, others within the entity, 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.

Plante & Moran, PLLC

October 14, 2011

Edison State Community College

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

Federal Agency/Program Title	CFDA Number	Award Number	Federal Expenditures
U.S. Department of Education:			
Student Financial Aid Cluster -			
Direct programs:			
Federal Supplemental Education Opportunity Grants	84.007		$ 33,750
Federal Work Study	84.033		81,754
Federal Pell Grant	84.063		6,081,772
Federal Academic Competitiveness Grant	84.375		50,908
Federal Direct Student Loans	84.268		7,852,665
Total Student Financial Aid Cluster			14,100,849
Passed-through Ohio Board of Regents - State Fiscal Stabilization Fund Cluster - ARRA - Educational State Grants	84.394		1,054,215
Passed-through State of Ohio Department of Education:			
Vocational Education	84.048	065762	13,003
Vocational Education	84.048	065763	8,200
Vocational Education	84.048	VENT-ITE-11-065763	2,800
Vocational Education	84.048	VENT-ITE-11-065764	2,500
Vocational Education	84.048	U.S.A.S. #524	68,269
Tech Prep - 065763-3ETC-2008	84.243	U.S.A.S #461	63,122
Tech Prep - 065763-3ETC-2008	84.243	U.S.A.S #499	23,060
Tech Prep - 065763-3ETC-2008	84.243	U.S.A.S #524	113,850
Total passed through State of Ohio Department of Education			294,804
Total expenditures of federal awards			**$ 15,449,868**

See Notes to Schedule of Expenditures of Federal Awards.

Note 1 - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Edison State Community College under programs of the federal government for the year ended June 30, 2011. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-21, *Cost Principles for Educational Institutions*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of Edison State Community College, it is not intended to and does not present the financial position, changes in net assets, or cash flows, if applicable, of Edison State Community College. Pass-through entity identifying numbers are presented where available.

Note 2 - Adjustments and Transfers

During the year ended June 30, 2011, there were the following transfers of grant overpayments:

Transferred from	Amount	Transferred to
Federal Supplemental Educational Opportunity Grant	$ 11,796	Federal Work Study

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ______ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ______ Yes __X__ None reported

Noncompliance material to financial statements noted? ______ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ______ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ______ Yes __X__ None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ______ Yes __X__ No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.375, and 84.268	Student Financial Aid Cluster
84.394	State Fiscal Stabilization Fund - Education State Grants - ARRA

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? __X__ Yes ______ No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None

This page intentionally left blank.

Dave Yost • Auditor of State

EDISON STATE COMMUNITY COLLEGE

MIAMI 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 13, 2011

88 East Broad Street, Fifth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.auditor.state.oh.us