COLUMBUS STATE COMMUNITY COLLEGE DEVELOPMENT FOUNDATION, INC.

Financial Statements
June 30, 2009 and 2008

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 Parms & Company, LLC for the audit period July 1, 2008 through June 30, 2009. 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 4, 2010

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COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.

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PARMS & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2009 and 2008, 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, 2009 and 2008, 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 23, 2009, 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 23, 2009

COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
Statements of Financial Position
As of June 30, 2009 and 2008

	2009	2008
ASSETS		
Cash	$ 498,468	$ 299,929
Investments	3,549,665	4,191,880
Pledges receivable	353,734	445,221
Accounts receivable	-	12,306
Student loans receivable, net of allowance of $12,170	1,297	1,297
Total assets	$ 4,403,164	$ 4,950,633
LIABILITIES		
Trade payables	$ 1,857	$ 6,562
Due Columbus State Community College	40,222	121,035
Total liabilities	42,079	127,597
NET ASSETS		
Unrestricted	(649,618)	(101,630)
Temporarily restricted	1,706,577	1,655,965
Permanently restricted	3,304,126	3,268,701
Total net assets	4,361,085	4,823,036
Total liabilities and net assets	$ 4,403,164	$ 4,950,633

See accompanying notes to the financial statements.

COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
Statement of Activities
For the Year Ended June 30, 2009

	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT				
Contributions	$ 157,853	364,245	100,035	$ 622,133
Inkind Contributions	406,722	-	-	406,722
Investment income:				
Dividends and net realized gain	(350,439)	(30,743)	-	(381,182)
Net unrealized losses	(222,559)	(23,339)	-	(245,898)
Reclassification of contributions due to donor stipulations	-	74,213	(74,213)	-
Net assets released from restrictions:				
Satisfaction of program restrictions	332,866	(332,866)	-	-
Total revenue and support	324,443	51,510	25,822	401,775
EXPENSES				
Scholarships	295,305	-	-	295,305
College programs	444,282	-	-	444,282
Management and general	124,139	-	-	124,139
Total expenses	863,726	-	-	863,726
CHANGE IN NET ASSETS	(539,283)	51,510	25,822	(461,951)
OTHER CHANGES IN NET ASSETS				
Transfer of earnings	(8,705)	(898)	9,603	-
NET ASSETS				
Beginning of year	(101,630)	1,655,965	3,268,701	4,823,036
End of year	$ (649,618)	1,706,577	3,304,126	$ 4,361,085

See accompanying notes to the financial statements.

COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
Statement of Activities
For the Year Ended June 30, 2008

	2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT				
Contributions	$ 157,116	431,199	121,930	$ 710,245
Investment income:				
Dividends and net realized gain	110,468	90,171	-	200,639
Net unrealized gain	(284,437)	(125,748)	-	(410,185)
Net assets released from restrictions:				
Satisfaction of program restrictions	584,316	(584,316)	-	-
Total revenue and support	567,463	(188,694)	121,930	500,699
EXPENSES				
Scholarships	340,797	-	-	340,797
College programs	243,519	-	-	243,519
Management and general	218,460	-	-	218,460
Total expenses	802,776	-	-	802,776
CHANGE IN NET ASSETS	(235,313)	(188,694)	121,930	(302,077)
OTHER CHANGES IN NET ASSETS				
Transfer of earnings	(8,144)	8,074	70	-
NET ASSETS				
Beginning of year	141,827	1,836,585	3,146,701	5,125,113
End of year	$ (101,630)	1,655,965	3,268,701	$ 4,823,036

See accompanying notes to the financial statements.

COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
Statements of Cash Flows
For the Years Ended June 30, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (461,951)	$ (302,077)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Net unrealized losses on investments	245,898	410,185
Effects of changes in assets and liabilities:		
Decrease in pledges receivable	91,487	31,188
Decrease in accounts receivable	12,306	5,233
(Decrease) Increase in accounts payable	(85,518)	63,043
Net cash provided by operating activities	(197,778)	207,572
CASH FLOWS FROM INVESTING ACTIVITIES		
Net sale (purchase) of investments	396,317	(184,716)
NET INCREASE IN CASH	198,539	22,856
CASH AND CASH EQUIVALENTS, BEGINNING	299,929	277,073
CASH AND CASH EQUIVALENTS, ENDING	$ 498,468	$ 299,929

See accompanying notes to the financial statements.

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.

Investments – Investments are carried at fair value in accordance with SFAS No. 124, *Accounting for Certain Investments Held by Not-For-Profit Organizations.* Realized and unrealized gains and losses are reported in the statement of activities. Investments in securities are recorded at fair value based on quoted market values, with changes in market value during the year reflected in the statements of activities. Donated investments are recorded at the fair value at the time received. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the Foundation's statements of position and activities.

Concentration of Credit Risk – Financial instruments, which potentially subject the Foundation to concentration of credit risk, consist principally of pledges receivable and investments. Exposure to losses on pledges receivable is dependent on each donor's financial condition. The Foundation monitors the exposure for credit losses including each donor's compliance with terms of the pledge and determines allowances, if any, for anticipated losses.

Pledges Receivable – Unconditional promises to give that are expected to be collected within one year are recorded at its net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows using a risk-free interest rate. The discount rate utilized was 0.19% for fiscal year 2009 and 1.79% for fiscal year 2008.

Contribution 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.

Investment Income – All investment income in the form of interest and dividends is credited to unrestricted net assets unless otherwise designated by the donor.

In-Kind Income – During fiscal year 2009, the Foundation began capturing the estimated value of non monetary contributions received. Included in the Statement of Activities for 2009 is $406,722 in non-monetary contributions. In addition, 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. The College also assists the Foundation in fund-raising, gift processing and accounting. The value of the Foundation's 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. The Foundation approximates the value of these operating costs at $381,890 and $363,721, for fiscal years 2009 and 2008, respectively. 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.

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.

Fair value of financial instruments – The carrying values of the Foundation's financial instruments in the statements of financial position approximate their respective estimated fair value at June 30, 2009 and 2008. The Foundation estimates fair values of its financial instruments using available quoted market information in accordance with FASB Statement No. 107, *Disclosures About Fair Value of Financial Instruments*. Accordingly, the estimates presented are not necessarily indicative of the amounts that the Foundation could realize in a current market exchange. Different market assumptions might have a material effect on the estimated fair value amounts.

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

Financial Accounting Standards Board (FASB) interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, (FIN 48), issued in July, 2006 was effective as of January 1, 2007. The Foundation has elected to defer adoption of FIN 48 in accordance with the provisions of FASB Staff Position No. 48-3, which permits certain non-public enterprises to delay adoption until fiscal years beginning after December 15, 2008. Currently, the Foundation accounts for contingencies associated with uncertain tax positions in accordance with SFAS No. 5, *Accounting for Contingencies*, which provides the recording of a contingency based on the probability of certain events to transpire that range from probable to remote as opposed to applying a more-likely-than-not recognition threshold.

Adoption of New Accounting Standards: The Foundation has adopted the requirements of Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*, which was issued in September 2006. This standard clarifies the definition of fair value for reporting, establishes a framework for measuring fair value and greatly expands disclosures about the use of fair value measurements. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007.

In August 2008, FASB issued Staff Position No. FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* (FSP 117-1). This FSP provides guidance on classifying the net assets associated with donor restricted endowment funds held by organizations subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Additional disclosures about endowments for both donor-restricted funds and board designated funds for all organizations, including those that are not yet subject to an enacted version of UPMIFA, are required to enable users to understand its endowment funds' net asset classification, net asset composition, changes in net asset composition, spending policies, and related investment policies. FSP 117-1 is effective for all fiscal years ending after December 15, 2008.

Reclassifications: Certain reclassifications have been made to the 2008 financials statement presentations to conform to the 2009 financial statement presentations. These reclassifications had no impact to the change in net assets or total net assets.

Note 2 - Cash:

The Foundation maintains its cash account with one 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 $250,000, as of June 30, 2009. 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, 2009 and 2008, the Foundation had a balance per bank of $513,677 and $285,960, 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, 2009 and 2008.

Note 3 - Investments:

The following summarizes the fair value of investments held at June 30, 2009 and 2008:

	2009	2008
Money Market Accounts	$ 166,477	$ 694,964
Equity Funds	877,403	1,053,313
U.S. Agency Obligations	34,833	-
Mutual Funds – Equity	2,239,757	1,443,603
Corporate Bonds	102,732	375,000
Municipal Bonds	128,463	625,000
Total	$3,549,665	$4,191,880

SFAS 157 defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Foundation's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Inputs: Significant other observable inputs other than Level 1 quoted prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Inputs: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would rise in pricing an asset or liability.

Assets Measured on a Recurring Basis: Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements At June 30, 2009 Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Markets	$ -	$ 166,477	$ -
Equity Funds	688,862	188,541	-
U.S. Agency Obligations	-	34,833	-
Mutual Funds - Equity	2,239,757	-	-
Corporate Bonds	-	102,732	-
Municipal Bonds	128,463	-	-
Total	$3,057,082	$ 492,583	$ -

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Note 4 – Endowment Composition

The Foundation's endowment consists of investments held at MorganStanley SmithBarney. Its endowment includes donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by applicable standards, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Endowment net asset composition by type of fund as of June 30, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Donor restricted endowment funds	$ (34,078)	336,767	3,304,126	$3,606,815
Board-designated funds	-	-	-	-
Total	$ (34,078)	336,767	3,304,126	$3,606,815

Endowment net asset composition by type of fund as of June 30, 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Donor restricted endowment funds	$(25,087)	475,509	3,268,701	$3,719,123
Board-designated funds	-	-	-	-
Total	$(25,087)	475,509	3,268,701	$3,719,123

Changes in endowment net assets for the year ended June 30, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Net Assets, Beginning of Year	$ (25,087)	475,509	3,268,701	$ 3,719,123
Investment income, net	-	8,398	-	8,398
Net appreciation (realized and unrealized gains/losses	(3,860)	(58,620)		(62,480)
Contributions	-	-	109,638	109,638
Reclassification due to donor stipulations	-	74,213	(74,213)	-
Reclassification for UPMIFA	(4,631)	4,631		-
Appropriation of endowment assets for expenditure	(500)	(167,364)	-	(167,864)
Net Assets, End of Year	$ (34,078)	336,767	3,304,126	$ 3,606,815

Changes in endowment net assets for the year ended June 30, 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Net Assets, Beginning of Year	$ (17,720)	621,127	3,146,701	$ 3,750,108
Investment income, net	-	59,415	-	59,415
Net appreciation (realized and unrealized gains/losses)	(3,050)	(91,942)		(94,992)
Contributions	-	-	122,000	122,000
Appropriation of endowment assets for expenditure	(4,317)	(113,091)	-	(117,408)
Net Assets, End of Year	$ (25,087)	475,509	3,268,701	$ 3,719,123

Interpretation of UPMIFA: The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the organization
(7) The investment policies of the organization

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as Board designated funds. Under this policy, the endowment assets are invested in a manner that is intended to maximize the total rate of return on investment within prudent parameters of risk of this type and in keeping with liquidity requirements as they relate to life income gifts.

Strategies Employed for Achieving Objectives: The purpose of the Endowment Fund is to facilitate donors' desires to make substantial long-term gifts to the Foundation and to develop significant sources of revenue for the Foundation. In so doing, the Endowment Fund will provide a secure, long-term source of funds to enhance the ability of the Foundation to meet ongoing and changing needs in both the short and long-term.

Spending Policy and How the Investment Objectives Relate to Spending Policy: To assist in achieving these objectives, the Foundation has established a Spending Policy that provides the criteria for annual distributions from the Endowment Fund. The Columbus State Community College Development Foundation, Inc. Board of Directors will determine annually the amount of funds that will be distributed out of the Endowment Income Funds. Distributions will be limited to 5% of the average market value of the Endowment Fund balance over the previous four years, not to exceed 75% of the income balance in any individual account. Within these parameters, the Board of Directors may also elect to make no distribution in any given year. The capital or principal amount of any endowed fund shall remain in perpetuity.

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related temporarily restricted amounts are reported in unrestricted net assets. Such amounts totaled $34,078, and $25,087 as of June 30, 2009 and 2008, respectively. These deficiencies resulted from unfavorable market fluctuations.

Endowment Fund principal, unless otherwise directed by the donor, shall not be disbursed except for emergency situations.

Note 5 – Pledges Receivable:

Amounts included in pledges receivable for unconditional promises to give consist of the following as of June 30, 2009 and 2008:

	2009	2008
Support What Works Campaign Pledges	$ 330,500	$ 420,500
Annual Pledges	23,595	30,409
Less: Discount and allowance	(361)	(5,688)
Total	$ 353,734	$ 445,221

As of June 30, 2009, amounts due to be received in:

Less than one year	$ 224,095	-	$ 224,095
One to five years	130,000	(361)	129,639
Total	$ 354,095	(361)	$ 353,734

As of June 30, 2008, amounts due to be received in:

Less than one year	$ 210,909	-	$ 210,909
One to five years	240,000	(5,688)	234,312
Total	$ 450,909	(5,688)	$ 445,221

During 2005, the Foundation began soliciting contributions for a major gifts campaign (Support What Works Campaign). As of June 30, 2009, 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. Discounts applied to promises to give total $361 and $5,688, as of June 30, 2009 and 2008.

Note 6 – Net Assets:

Temporarily restricted net assets as of June 30 are summarized for the following programs:

	2009	2008
General Support of College Programs	$163,435	$147,971
Equipment	212,462	211,867
Lecture Series	49,758	56,909
Special Projects	138,879	177,615
General Support of Administration	5,550	18,293
Scholarships	1,136,493	1,043,310
Total Temporarily Restricted Net Assets	$1,706,577	$1,655,965

Permanently restricted net assets as of June 30 are summarized for the following programs:

	2009	2008
College Programs	$ 10,000	$ 10,000
Special Projects	64,151	64,063
General Support of Administration	285,001	285,001
Scholarships	2,944,974	2,909,637
Total Permanently Restricted Net Assets	$3,304,126	$3,268,701

Note 7 - Subsequent Events:

Management has performed an analysis of the activities and transactions subsequent to June 30, 2009 to determine the need for any adjustments or disclosures within the audited financial statements for the year ended June 30, 2009. Management has performed their analysis through December XX, 2009.

PARMS & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2009, and have issued our report thereon dated December 23, 2009. 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*.

We noted certain matters that we reported to management of the Foundation in a separate letter dated December 23, 2009.

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.

Parms & Company, LLC

December 23, 2009
Columbus, Ohio

COLUMBUS STATE COMMUNITY COLLEGE DEVELOPMENT FOUNDATION

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 14, 2010

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