COLUMBUS STATE COMMUNITY COLLEGE

Financial Report With Additional Information
For The Years Ended June 30, 2006 and 2005

PARMS & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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Mary Taylor, CPA
Auditor of State

Board of Trustees
Columbus State Community College
550 East Spring Street
Columbus, Ohio 43216

We have reviewed the *Independent Accountants' Report* of the Columbus State Community College, Franklin County, prepared by Parms & Company, LLC for the audit period July 1, 2005 through June 30, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

January 8, 2007

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COLUMBUS STATE COMMUNITY COLLEGE

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Columbus State Community College
Columbus, Ohio

We have audited the accompanying statements of net assets of Columbus State Community College (the College), a component unit of the State of Ohio, and its discretely presented component unit, as of June 30, 2006 and 2005, and the related statements of revenues, expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of the Columbus State Community College as of June 30, 2006 and 2005, and the respective results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* we have also issued our report dated October 6, 2006, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis presented on pages 3 through 11 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2006, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements of Columbus State Community College. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Parms & Company, LLC

October 6, 2006
Columbus, Ohio

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Columbus State Community College's Annual Report presents management's discussion and analysis of the College's financial position as of June 30, 2006; and financial activity for the fiscal year July 1, 2005 through June 30, 2006, with selected comparative information for the fiscal year ended June 30, 2005, and June 30, 2004, when appropriate. This discussion should be read in conjunction with the accompanying financial statements and notes herein.

WHAT IS BEING PRESENTED

This section includes the following statements, and for illustrative purposes, various graphs, charts, and other narratives.

- ***Statement of Net Assets;***
- ***Statement of Revenues, Expenses, and Changes in Net Assets and;***
- ***Statement of Cash Flows***

A full set of financial statements, complete with notes, is presented in the next section of this annual report. They include the College, its Auxiliaries, and the Columbus State Community College Development Foundation.

Management's discussion and analysis is focused on the primary institution and its auxiliaries.

It is management's intention to discuss significant financial data based upon currently known facts, decisions and conditions that have already occurred. There are factors, however, that may impact future periods, which are considered in the last section of this discussion.

ABOUT THE COLLEGE

Columbus State Community College has been dedicated to meeting the educational needs of our community for over 40 years. The College has grown from an initial enrollment of 67 students in 1963, to its current thriving campus of over 22,000 for-credit students. Additionally, the College serves thousands through its non-credit and certificate programs. As a comprehensive community college, Columbus State has a strong commitment to technical education, offering the Associate of Applied Science and the Associate of Technical Studies degree programs in over 50 areas ranging from Accounting and Business to Veterinary Technology. The transfer programs, Associate of Arts and Associate of Science, meet the majority of freshman and sophomore course requirements of bachelor's degree programs. Specific transfer agreements with many four-year colleges and universities throughout the state have also been developed. A multitude of certificate programs, non-credit offerings, and specialized training options are also offered.

The College supports a four-county service district that includes Delaware, Franklin, Madison and Union Counties. In addition to the downtown Columbus campus, Columbus State operates ten Off-Campus Centers throughout central Ohio. These suburban centers allow students to take courses closer to where they live and work.

FINANCIAL HIGHLIGHTS AND TRENDS

- Fiscal Stability

  Following a year in which enrollment declined by approximately 6.0%, the College took several steps to ensure continued fiscal strength given ongoing concerns about the strength of the state's economy and uncertainty about the future of higher education funding.

Some of the initiatives undertaken include the following:

- ✓ The Board of Trustees approved a Voluntary Early Retirement Incentive Program (ERI) in March 2005. Individuals interested in taking advantage of the ERI had to sign up by September 30, 2005. The ERI program closed on June 30, 2006, for individuals retiring under the School Employees Retirement System, and closed on August 31, 2006, for those retiring under the State Teachers Retirement System. Of the 75 employees who signed up for the program, 62 retired under the ERI by August 31, with savings estimated at over $1.2 million for fiscal year 2007.
- ✓ A health cost care containment initiative was implemented. As part of this initiative, a new health care provider was selected as a result of a proposal process, and Health Savings Accounts and a core plan that called for a greater sharing of risk between employer and employees were introduced. Essentially, the College capped the dollars it would contribute toward the employees' health care premium. Among other initiatives in the area were Healthy Living and Healthy Eating classes and a Smoking Cessation class.
- ✓ As interest rates increased throughout fiscal year 2006, more funds were invested in longer term securities, in compliance with the investment policy approved by the Board in July 2004, to maximize earnings.
- ✓ The fiscal 2006 budget was approached with the primary guiding principle being sustainability. Departments were charged with closely assessing non-payroll and non-fixed expenses, and to reallocate within existing resources to support initiatives. This resulted in a variable operating expense budget that was 1% lower than the 2005 revised budget.

The year concluded with positive results as a result of these actions. Net assets increased by $17.7 million, attributed to lower expenses as a result of the items discussed above as well as increased revenues from favorable investment income and higher enrollment. Enrollment rebounded with an increase of approximately 2.0%. The College was one of only two institutions in the state that earned a perfect composite score of 5.0 for fiscal year 2005 for the annual fiscal accountability measure established by Senate Bill 6. Additionally, Moody's Investors affirmed the College's A1 credit rating with a positive outlook.

- ➢ Growth beyond downtown Columbus

A major new academic building, the Center for Workforce Development (CWD), that includes a Child Development Center (CDC) opened on time and under budget. The CDC opened on March 27, 2006. The 18,000 square foot CDC, which services the children of students, faculty and staff, as well as others in the downtown community, now has capacity for 120 infants, toddlers and preschool children, nearly double the capacity of the previous building.

In June, the rest of the CWD was occupied by the academic programs for which it was designed. Built with $24.5 million in state money and $3 million in local monies and grants, the 141,000 square-foot CWD is the largest academic center built to date at Columbus State. It includes classrooms, laboratories, workshops and office space for the College's Community Education and Workforce Development Division, which serves more than 20,000 students each year.

Included in the CWD is a state-of-the-art business conference center on the top floor. It features a ballroom, with a capacity of 400, 10 breakout rooms connected by a gallery, a boardroom, and serving kitchens for catered events. While its primary use is to house Columbus State community education and workforce development programs, the conference center is available to the community for educational, recreational, civic and cultural purposes, and to promote business development in the Central Ohio area.

After several months of discussion, a new partnership was formed that will allow Columbus State and Ohio University to offer classes in Pickaway County at Teays Valley High School. This collaboration is intended to increase the number of Pickaway County citizens who pursue higher education and to provide them with higher education options and opportunities closer to home.

Construction of the Discovery Exchange (DX) neared completion at year-end. The DX will house Auxiliary Services, including the Bookstore, Office Services, the Mailroom, Shipping and Receiving, and the Copy Center. Additionally, new offerings will include a Café and Convenience Store, fresh flowers, dry-cleaning services, an expanded line of art supplies, general reading books, gifts and apparel, computer supplies, and cell phones. The DX will open in November 2006.

Planning progresses for the development of the Delaware Campus on 108 acres of land purchased in 2004. An architect has been selected to design the first building and $20 million has been appropriated by the General Assembly for this project. Groundbreaking for the first building is anticipated in 2007, with an opening tentatively slated for late 2009 or early 2010.

Finally, our most significant growth has been in our Distance Learning (DL) programs. Distance Learning through Columbus State's Global Campus allows students from around the city and around the globe, the capability of learning without the limits of place and time. DL course offerings include web-based, video-based, blended, hybrid, and self-paced courses, and video-conferencing. Growth in DL programs during fiscal year 2006 ranged from 20 – 30% each quarter over the prior year. For Autumn quarter 2006, more than 10,000 seats are sold in over 300 distance-learning classes.

OTHER FACTORS TO CONSIDER

There are many indicators of quality in higher education institutions, including but not limited to student retention rates, job placement statistics, salary ranges of recent graduates, and the appearance and condition of physical plant facilities. Financial statements assess only the quality of the College's financial condition.

FINANCIAL STATEMENTS

The ***Statement of Net Assets*** details all College holdings (assets) such as cash, investments, accounts receivable, land and buildings; and liabilities including payments due to vendors, and short and long-term debt, as of June 30, 2006.

The total amount of assets minus liabilities equals net assets. These net assets are categorized as restricted in use by outside sources, or unrestricted for general use.

The ***Statement of Revenues, Expenses and Changes in Net Assets*** shows the revenues earned and expenses incurred during the year, and the net increase/decrease in net assets. This statement is prepared under the accrual basis of accounting whereby revenues and expenditures are recognized when the service is provided and the resource(s) is/are used. This principle, called the "matching concept", is best demonstrated in the College's collection of student tuition. For example, most tuition is collected within the first eight days of each academic quarter, yet the revenue is distributed evenly over the three-month period to match the expenditures (resources) used to generate the revenue.

The ***Statement of Cash Flows*** presents information related to cash inflows and outflows, summarized by operating, noncapital financing, capital financing and investment activities. The ***Statement of Cash Flows*** shows the sources and uses of the College's cash. The ***Statement of Cash Flows*** also helps readers assess: a) the College's ability to generate future cash flows, b) the College's ability to meet obligations as they become due, and c) the College's need for external financing.

Certain items have been reclassified for the year ended June 30, 2005 to conform to classifications used for the year ended June 30, 2006.

Condensed versions of the financial statements are presented below, along with a brief summary of the financial information contained therein.

Statement of Net Assets (in thousands)					
	2006	2005	Difference	2004	Difference
Assets					
Current assets	$ 110,418	$ 97,920	$ 12,498	$ 76,804	$ 21,116
Non-current assets					
Capital assets	136,951	130,069	6,882	110,414	19,655
Other	1,729	3,621	(1,892)	15,018	(11,397)
Total assets	249,098	231,610	17,488	202,236	29,374
Liabilities					
Current Liabilities					
Deferred revenue	12,485	10,647	1,838	10,663	(16)
Accounts payable	11,668	11,971	(303)	8,648	3,323
Other current liabilities	1,565	1,500	65	1,451	49
Non-current liabilities					
Long-term debt	19,740	21,250	(1,510)	22,700	(1,450)
Annuities payable	2,321	2,375	(54)	2,467	(92)
Other	536	762	(226)	451	311
Total liabilities	48,315	48,505	(190)	46,380	2,125
Net Assets					
Invested in capital assets	120,758	110,615	10,143	96,064	14,551
Restricted	93	3,737	(3,644)	4,193	(456)
Unrestricted	79,932	68,753	11,179	55,599	13,154
Total net assets	$ 200,783	$ 183,105	$ 17,678	$ 155,856	$ 27,249

Assets

As of June 30, 2006, current assets totaled $110.4 million compared to $97.9 million in fiscal year 2005, and $76.8 million in 2004. Year-to-year increases amounted to 12.8% and 27.5% in 2006 and 2005, respectively. Most of the increase in 2006 is the result of increased net assets that have been invested. The 2005 increase is attributed to bond proceeds received in 2004 that were held in plant funds (non-current) as of June 30, 2004 and then invested during fiscal year 2005; these investments are recorded under current funds. This shift accounts for much of the decrease in other non-current assets from 2004 to 2005.

Total assets as of June 30, 2006, were $249.1 million compared to $231.6 million in fiscal year 2005, a 7.6% increase. The increase, $17.5 million, is largely the result of increased net assets, as discussed under revenues on the next page, and capital additions, from both capital appropriations and locally funded projects.

Capital assets such as land, buildings, machinery and equipment are the largest asset group at $137.0 million (55.0%), followed by cash and investments of $93.8 million (37.6%); and inventory and other assets at $18.4 million (7.4%). The make-up of assets is comparable to 2005 for each of these asset groups.

Liabilities

As of June 30, 2006, the College's current liabilities were $25.7 million, compared to $24.1 million in 2005, an increase of 6.6%. Of that total, $12.5 million was deferred revenue (summer quarter tuition revenues related to fiscal year 2006, lab fees and credit bank), $11.7 million in accounts payable and $1.51 million of short-term debt. Most of the increase resulted from deferred summer quarter tuition as a result of higher enrollment and tuition increases.

Non-current liabilities as of June 30, 2006, were $22.6 million consisting of $19.74 million in long-term debt (revenue bonds), $2.3 million in annuities payable, and other long-term liabilities of $0.50 million. By comparison, non-current liabilities as of June 30, 2005 were $24.4 million consisting of $21.25 million in bonds payable, $2.4 million in annuities payable, and $.8 million in long-term liabilities.

Total liabilities as of June 30, 2006 were $48.3 million compared to $48.5 million in fiscal year 2005. Decreases in non-current liabilities resulting from current year debt service were substantially offset by increases in current liabilities discussed above.

Net Assets

Net assets increased by $17.7 million in 2006 and $27.2 million in 2005. The 2006 increase was considerably lower than last year due to 2005 receipts from the State of Ohio for the construction of an academic building, the Center for Workforce Development. As construction neared completion in 2006, funds received from the state, capital appropriations, were nearly $7.2 million less than that received in 2005. Funds received from the State of Ohio for the construction and renovation of buildings and other capital assets are treated as income to the College, directly impacting net assets. While capital appropriations accounted for $5.9 million, other increases were noted in tuition and fees ($3.1 million) federal grants and contracts ($4.2 million), and investment income ($1.6 million), while significant expense increases were noted in institutional support ($3.2 million), scholarships and fellowships ($3.1 million), and operation and maintenance of plant ($1.1 million).

Statement of Revenues, Expenses, and Changes in Net Assets (in thousands)

	2006	2005	Difference	2004	Difference
OPERATING REVENUES					
Student tuition and fees (net of scholarship allowances of $10.9, $9.6, and $10.5 million in 2006, 2005, and 2004, respectively)	$ 49,557	$ 46,450	$ 3,107	$ 44,133	$ 2,317
Federal, state, and private grants and contracts	31,089	27,582	3,507	23,721	3,861
Auxiliary enterprises	9,638	9,992	(354)	10,642	(650)
Other	1,102	741	361	710	31
Total operating revenues	91,386	84,765	6,621	79,206	5,559
OPERATING EXPENSES					
Educational and general	105,512	99,921	5,591	98,901	1,020
Scholarships and fellowships	14,617	11,523	3,094	9,820	1,703
Auxiliary enterprises	9,362	9,277	85	9,872	(595)
Depreciation expense	3,920	3,565	355	3,483	82
Total operating expenses	133,411	124,286	9,125	122,076	2,210
Operating income (loss)	(42,025)	(39,521)	(2,504)	(42,870)	3,349
NON-OPERATING REVENUES (EXPENSES)					
State appropriations	53,317	53,976	(659)	46,687	7,289
Investment income (net of expense)	3,050	1,480	1,570	700	780
Other non-operating revenues	(3,560)	(1,779)	(1,781)	(719)	(1,060)
Net non-operating revenues	52,807	53,677	(870)	46,668	7,009
Income before capital appropriations	10,782	14,156	(3,374)	3,798	10,358
Capital appropriations and gifts	6,896	13,093	(6,197)	1,587	11,506
Increase in net assets	17,678	27,249	(9,571)	5,385	21,864
Net assets, beginning of year	183,105	155,856	27,249	150,471	5,385
Net assets, end of year	$ 200,783	$ 183,105	$ 17,678	$ 155,856	$ 27,249

Revenues

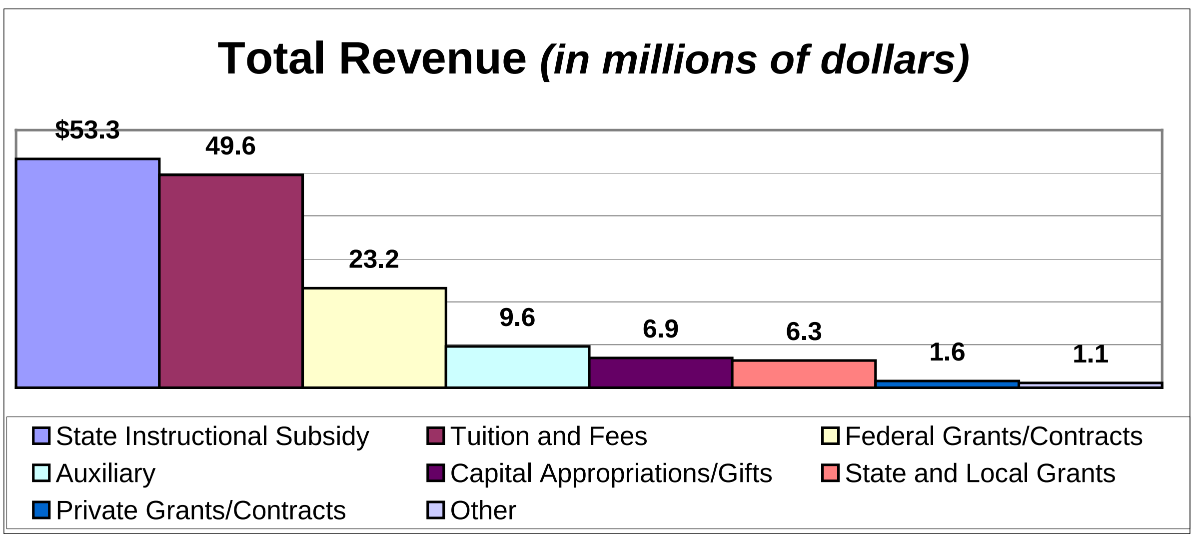
Total fiscal year 2006 revenues equaled $151.1 million compared to $151.5 million in fiscal year 2005. Significant areas of increase were $3.1 million in student tuition and fees and $3.5 million in federal, state and private grants and contracts, while capital appropriations decreased by $7.2 million.

The majority of College revenues come from three sources: 1) State instructional subsidy ($53.3 million), 2) Student tuition and fees ($49.6 million), and 3) Federal, state, and private grants and contracts ($31.1 million).

Of $29.5 million in federal and state grants and contracts, 86.5% are awarded to students through the federal Pell grant and State of Ohio instructional grant programs. These funds are used for student tuition ($10.9 million) and education-related expenses.

Other significant revenue sources are: Auxiliary enterprises ($9.6 million), State capital appropriations used for construction, renovation and maintenance of facilities ($5.9 million), and capital gift donation ($1 million).

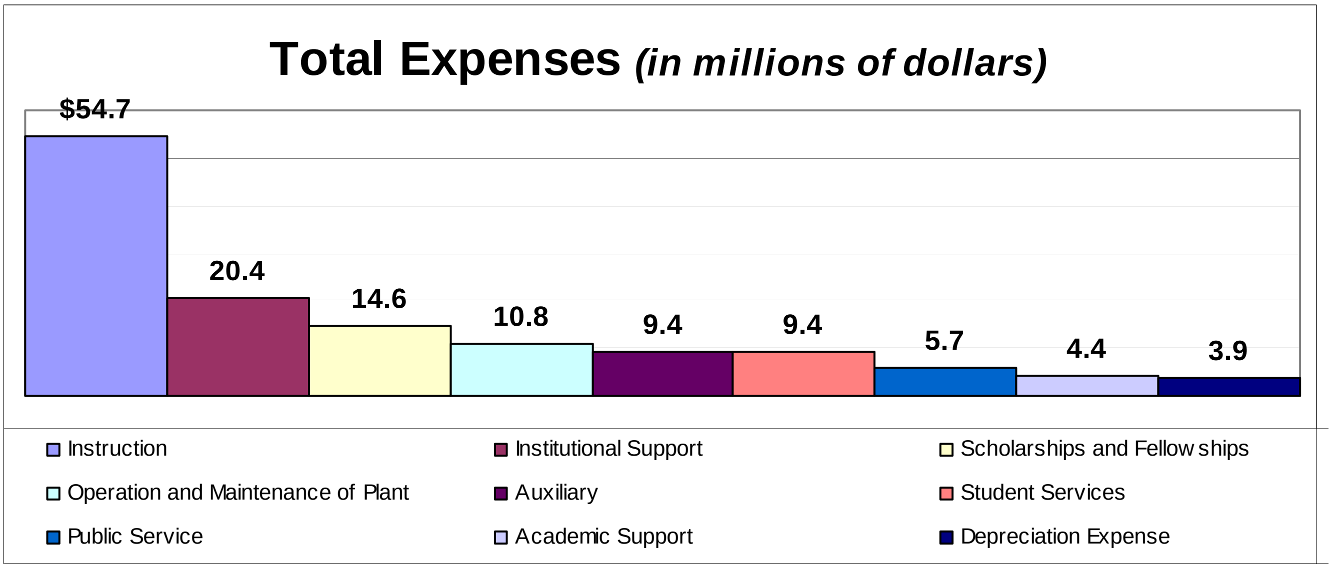
The major sources of College revenues for fiscal year 2006 are presented below.



Expenses

Fiscal year 2006 expenses totaled $133.4 million as compared to $124.3 million in fiscal year 2005, an increase of $9.1 million. Of this increase, approximately $5.1 million, or 56%, is attributable to the Voluntary ERI buyout expenses discussed in this year's highlights. As a result of enrollment increases in 2006 and higher financial aid awards, scholarships and fellowships increased by over $3 million. Finally, expenses for operation and maintenance of plant increased by over $1 million. Much of this increase is attributed to natural gas price hikes during the winter, while the College entered a cooperative arrangement offered through the state of Ohio to limit the impact of utility increases. Additionally, as construction activities wound down, more start-up expenses were incurred that were not capitalized whereas last year, purchases that were capitalized were substantially higher.

Fiscal year 2006 expenditures are shown below:



Statement of Cash Flows *(in thousands)*

Net cash provided (used) by:	2006	2005	2004
Operation activities	($37,909)	($37,508)	($40,811)
Non capital financing activities	50,718	53,835	47,361
Capital financing activities	(8,202)	(12,859)	7,305
Investing activities	(11,481)	(2,427)	(11,131)
Net increase in cash	(6,874)	1,041	2,724
Cash-beginning of year	13,710	12,669	9,945
Cash-end of year	$ 6,836	$13,710	$12,669

Ending cash balances for fiscal years 2004 through 2006 were $12.7 million, $13.7 million, and $6.8 million, respectively. Each month, cash flow projections are evaluated to determine when funds can be invested to maximize investment earnings (typically, at the beginning of each quarter when tuition and fees are paid, funds are transferred to STAR Ohio), or when funds should be transferred back for operations (usually during the latter part of each quarter). Cash balances were lower at June 30, 2006 due to the more timely investment of summer quarter receipts in June rather than July, as in the prior years.

Major sources of cash in 2006 were State appropriations of $53.3 million, tuition and fees of $49.6 million, and gifts, grants, and contracts totaling $31.1 million.

The most significant uses of cash were payments for salaries and benefits of $82.2 million, payments to suppliers of $32.8 million, and $12.5 million for the purchase of capital assets.

Budgets

College policy requires the Board of Trustees to approve an operational budget before June 30 for the fiscal year that begins July 1, and only the Board of Trustees shall have authority to allocate funds for expenses not included in the approved operating budget. The operating budget focuses on revenues and expenses produced from daily operations as well as budgeted expenditures for capital improvements, equipment, and debt service.

Columbus State takes a balanced, practical approach to budgeting. Revenues are based upon reasonable enrollment projections and tuition rates approved by the Board of Trustees, providing a solid budget parameter on this revenue calculation, and estimates of subsidy allocations provided by the Ohio Board of Regents (subsidy allocations are finalized and approved by the Regents generally in November). By board policy, the College engages in a mid-year budget adjustment. Mission and goals, together with current and predicted economic environment and local conditions, all factor into the development of expense budgets. Expenses are constrained by budgeted revenues.

State instructional subsidy revenues are treated as operating revenues for budget purposes as they are heavily weighted on enrollment.

Budgeted and actual results for College and Auxiliaries operations are presented below.

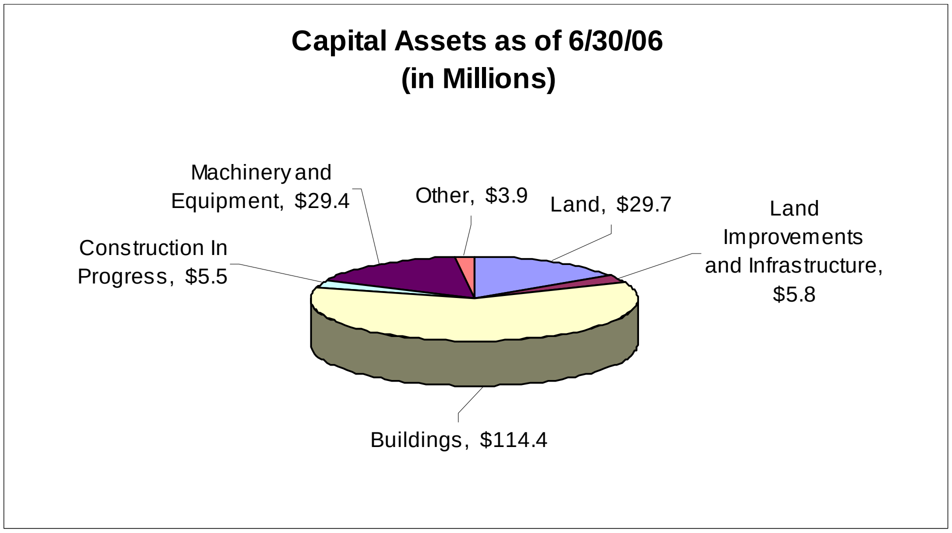
Columbus State Community College
Budget Comparisons – Budget to Actual
FY 06 (in thousands)

Budgeted Operations Revenues	Original Budget	Revised Budget	Percent % Change	Actual	Percent % Change
College	$107,996	$112,343	4.03%	$117,616	4.69%
Auxiliary	9,822	9,599	-2.27%	9,638	0.41%
Total Revenues	$117,818	$121,942	3.50%	$127,254	4.36%
Expenditures					
College	$107,224	$111,998	4.45%	$99,868	-10.83%
Auxiliary	9,690	9,595	-0.98%	9,362	-2.43%
Total Expenditures	$116,914	$121,593	4.00%	$109,230	-10.17%
Net Revenues	$904	$349	-61.39%	$18,024	5064.47%

Capital Assets

Capital assets consist of land, land improvements, infrastructure (roads, underground utilities, etc.), buildings, equipment, vehicles, library books, as well as buildings under construction. Capital assets are recorded at "cost" at the time of acquisition. This acquisition cost is allocated over the useful life of the asset and recorded as depreciation expense.

The chart below illustrates the College's capital assets (by classification) as of June 30, 2006.



As of June 30, 2006, the College had recorded $188.6 million in capital assets and $51.7 million in accumulated depreciation, for a total of $136.9 million in net capital assets. A detailed summary of additions, deletions, and depreciation of assets can be found in Note 4 – Capital Assets.

Debt

As of June 30, 2006, the College had $21.3 million of outstanding debt as follows:

(in millions)

General Receipts Bonds:	2003	$14.5
General Receipts Bonds	1997	$ 6.8
Total		$21.3

FACTORS IMPACTING FUTURE PERIODS

At this time, the most significant economic issues for Columbus State Community College are the potential impact of the State Appropriation Limitation (SAL) legislation enacted in spring 2006 that will be in effect for the next state biennium and changes in the way that subsidy, State Share of Instruction (SSI), is allocated.

SAL legislation caps increases in state spending at 3.5% per year, or the combined rate of inflation plus population growth. While implications of SAL will not be fully understood until the new Governor presents his first biennial budget in March 2007, preliminary analysis had indicated that the current year's state appropriations would have been nearly $3 billion or 10% less had this legislation been in effect this past fiscal year. If state appropriations are limited in this manner, it is likely that the higher education budget may absorb a significant portion of any reductions.

The Higher Education Funding Council (HEFSC) was created in House Bill 66 of the 126th General Assembly. Among its objectives were mandates to conduct studies on the distribution of SSI funds. A subcommittee was appointed to recommend a new taxonomy for the SSI formula and to review the formula as it related to recommendations to move to a subject-oriented taxonomy that categorizes courses in a much different manner than the current model for subsidy allocation. The newly recommended model is currently being evaluated parallel to the existing model. If finalized during FY07, the impact will be reflected in FY08 allocations.

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF NET ASSETS
As of June 30, 2006 and 2005

	2006		2005	
ASSETS	Columbus State Community College	Component Unit Development Foundation	Columbus State Community College	Component Unit Development Foundation
Current Assets				
Cash	$ 6,836,137	$ 119,970	$ 13,709,875	$ 317,849
Investments	85,515,587	3,827,907	69,069,875	3,436,762
Accounts, Loans and Pledges Receivable	16,016,765	1,731,600	13,432,954	581,740
Inventories	1,393,475	-	1,564,210	-
Other Assets	655,822	-	142,781	-
Total Current Assets	110,417,786	5,679,477	97,919,695	4,336,351
Noncurrent Assets				
Cash and Cash Equivalent	210,978	-	207,379	-
Investments	1,231,082	-	3,149,923	-
Other Noncurrent Assets	286,336	-	263,521	-
Capital Assets, Net	136,951,427	-	130,069,483	-
Total Noncurrent Assets	138,679,823	-	133,690,306	-
TOTAL ASSETS	**249,097,609**	**5,679,477**	**231,610,001**	**4,336,351**
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities	11,667,773	1,132,296	11,970,836	24,860
Annuities Payable, Current Portion	54,747	-	50,052	-
Long-term Debt, Current Portion	1,510,000	-	1,450,000	-
Deferred Revenue	12,485,305	-	10,646,933	-
Total Current Liabilities	25,717,825	1,132,296	24,117,821	24,860
Noncurrent Liabilities				
Annuities Payable, Long-term Portion	2,320,828	-	2,375,575	-
Long-term Liabilities	536,500	-	761,665	-
Long-term debt, Long-term Portion	19,740,000	-	21,250,000	-
Total Noncurrent Liabilities	22,597,328	-	24,387,240	-
TOTAL LIABILITIES	**48,315,153**	**1,132,296**	**48,505,061**	**24,860**
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	120,757,748	-	110,614,640	-
Restricted				
Nonexpendable	-	3,084,926	-	2,828,207
Expendable	93,066	1,389,169	3,736,736	1,350,504
Unrestricted	79,931,642	73,086	68,753,564	132,780
TOTAL NET ASSETS	**$ 200,782,456**	**$ 4,547,181**	**$ 183,104,940**	**$ 4,311,491**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2006 and 2005

	2006		2005	
	Columbus State Community College	Component Unit Development Foundation	Columbus State Community College	Component Unit Development Foundation
REVENUES				
Operating Revenues				
Student tuition and fees (net of scholarship allowances of $10,895,716 in 2006 and $9,561,515 in 2005)	$ 49,557,151	-	$ 46,450,462	-
Federal grants and contracts	23,191,652	-	19,038,012	-
State and local grants and contracts	6,258,798	-	6,125,079	-
Private grants and contracts	1,638,470	2,056,400	2,418,862	1,329,914
Sales and services of educational departments	23,790	-	4,857	-
Auxillary enterprises				
Bookstore	9,212,446	-	9,642,503	-
Other	425,674	-	348,619	-
Other operating revenues	1,077,999	-	736,842	-
Total operating revenues	**91,385,980**	**2,056,400**	**84,765,236**	**1,329,914**
EXPENSES				
Operating Expenses				
Educational and general				
Instruction and departmental research	54,738,273	-	54,606,016	-
Public service	5,730,250	-	4,870,364	-
Academic support	4,433,726	1,000,000	3,984,100	-
Student services	9,362,041	-	9,518,642	-
Institutional support	20,439,610	534,740	17,245,524	345,603
Operation and maintenance of plant	10,808,214	-	9,696,491	-
Scholarships and Fellowships	14,616,591	485,946	11,523,099	582,103
Depreciation Expense	3,920,340	-	3,565,534	-
Auxiliary enterprises				
Bookstore	8,711,338	-	8,703,235	-
Other	651,001	-	573,528	-
Total operating expense	**133,411,384**	**2,020,686**	**124,286,533**	**927,706**
Operating income (loss)	**(42,025,404)**	**35,714**	**(39,521,297)**	**402,208**
NONOPERATING REVENUES (EXPENSES)				
State appropriations	53,316,691	-	53,975,799	-
Unrestricted investment income (Net of investment expense)	3,003,992	98,005	1,415,288	22,423
Restricted investment income (Net of investment expense)	45,802	101,971	65,174	70,309
Interest on capital asset related debt	(960,579)	-	(1,057,529)	-
Other nonoperating revenue (expense)	(2,598,914)	-	(721,821)	-
Net nonoperating revenues	**52,806,992**	**199,976**	**53,676,911**	**92,732**
Income (loss) before other revenues, expenses, gains, or losses	**10,781,588**	**235,690**	**14,155,614**	**494,940**
Capital grants and gifts	1,000,000	-	-	-
Capital appropriations	5,895,928	-	13,093,259	-
Increase (decrease) in net assets	**17,677,516**	**235,690**	**27,248,873**	**494,940**
NET ASSETS				
Net assets-beginning of year	183,104,940	4,311,491	155,856,067	3,816,551
Net assets-end of year	**$ 200,782,456**	**$ 4,547,181**	**$ 183,104,940**	**$ 4,311,491**

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

COLUMBUS STATE COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2006 and 2005

	2006		2005	
	Columbus State Community College	Component Unit Development Foundation	Columbus State Community College	Component Unit Development Foundation
CASH FLOWS FROM OPERATING ACTIVITIES				
Tuition and Fees	$ 50,830,928	$ -	$ 46,836,978	$ -
Grants, Gifts and Contracts	30,069,723	906,540	24,434,866	767,848
Payments to Suppliers	(32,776,157)	(427,304)	(26,773,670)	(359,263)
Payments for Salaries and Benefits	(82,156,954)	-	(81,211,077)	-
Payments for Scholarships	(14,616,591)	(485,946)	(11,523,099)	(562,103)
Auxiliary Enterprise Receipts	9,638,120	-	9,991,122	-
Other Receipts (Payments)	1,101,787	-	736,840	-
Net Cash Provided (Used) by Operating Activities	**(37,909,144)**	**(6,710)**	**(37,508,040)**	**(153,518)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Appropriations	53,316,691	-	53,975,799	-
Nonoperating Payments to Suppliers	(2,598,914)	-	(141,106)	-
Net Cash Provided (Used) by Noncapital Financing Activities	**50,717,777**	-	**53,834,693**	-
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Capital Appropriations	6,730,619	-	11,998,353	-
Proceeds from New Debt	-	-	-	-
Purchases of Capital Assets	(12,471,683)	-	(22,307,074)	-
Principle Paid on Debt	(1,500,052)	-	(1,492,596)	-
Interest Paid on Capital Debt	(960,579)	-	(1,057,529)	-
Net Cash Provided (Used) by Capital Financing Activities	**(8,201,695)**	-	**(12,858,846)**	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Bond Proceeds Invested in Restricted Cash	(3,599)	-	-	-
Sales and (Purchases) of Investments	3,049,794	(334,763)	(3,907,569)	(449,443)
Income on Investments	(14,526,871)	143,594	1,480,462	471,231
Net Cash Provided (Used) by Investing Activities	**(11,480,676)**	**(191,169)**	**(2,427,107)**	**21,788**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(6,873,738)**	**(197,879)**	**1,040,700**	**(131,730)**
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**13,709,875**	**317,849**	**12,669,175**	**449,579**
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 6,836,137**	**$ 119,970**	**$ 13,709,875**	**$ 317,849**
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Gain (Loss)	(42,025,404)	35,714	(39,521,297)	402,208
Adjustments to Reconcile Net Operating Loss to Net Cash Provided (Used) By Operating Activities:				
Depreciation Expense	3,920,340		3,565,534	-
Changes in Assets and Liabilities:				
Receivables, net	(1,583,811)	(1,149,860)	(2,034,511)	(562,066)
Other Assets	(365,121)		464,039	-
Accounts Payable & Accrued Liabilites	306,480	1,107,436	34,176	6,340
Deferred Revenue	1,838,372	-	(15,981)	-
Net Cash Provided (Used) by Operating Activities	**(37,909,144)**	**(6,710)**	**(37,508,040)**	**(153,518)**

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

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Columbus State Community College (the College) is part of the State of Ohio higher education system and was chartered as the Columbus Technical Institute. In 1986, the College was established as a college district by the Ohio Board of Regents. On July 1, 1987, the College was granted a provisional charter as a state community college, which was made permanent on September 10, 1993. As such, the College is one of the state-supported colleges and universities in Ohio. The College is a component unit of the primary reporting entity of the State of Ohio. The financial statements present the financial position and results of operations of the College along with the Columbus State Community College Development Foundation, as a component unit of the College.

Columbus State Community College Development Foundation, Inc. (the Foundation) is a legally separate, tax-exempt organization that exists to provide financial assistance to the educational programs, services and facilities of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or 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 in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*.

The College operates under the direction of a nine member Board of Trustees who are appointed by the Governor with the advice and consent of the Ohio Senate. A President is appointed by the Board of Trustees to oversee day-to-day operations of the College. An appointed treasurer is the custodian of funds and is responsible for the fiscal control of the resources of the College.

The College was organized principally to offer educational programs beyond high school, normally not exceeding two years in duration, and leading to the award of an associate degree. The College offers programs in the liberal arts and sciences, technical training, and adult and continuing education, as outlined in ORC Section 3358.01.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis of Public Colleges and Universities*, issued in June and November 1999. The College reports as a special purpose government engaged solely in "business type activities" under GASB Statement No. 34. GASB Statements No. 34 and 35, and subsequent statements establish standards for external financial reporting for public colleges and universities and require that resources be classified for accounting and reporting purposes into the following net assets categories:

Note 1 - Summary of Significant Accounting Policies (Continued)

- Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquistion, construction or improvement of those assets.

- Restricted:
  - *Nonexpendable* - Net assets subject to externally imposed stipulations that they be maintained permanently by the College. Such assets include the permanent endowment funds of the College and Foundation.
  - *Expendable* - Net assets whose use by the College is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time. These net assets principally represent amounts for specified capital construction projects.

- Unrestricted: Net assets whose use by the College is not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

The financial statement presentation required by GASB Statement No. 35 is intended to provide a comprehensive, entity-wide perspective of the College's assets, liabilities, net assets, revenues, expenses, changes in net assets and cash flows.

Basis of Accounting

The financial statements of the College have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by provider have been met. The College reports as a Business Type Activity (BTA). BTAs are those activities that are financed in whole or part by fees charged to external parties for goods and services.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*, the College does not apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, for proprietary activities, unless the GASB amends its pronouncements to specifically adopt FASB pronouncements issued after that date.

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Note 1 - Summary of Significant Accounting Policies (Continued)

Investments
The College makes investments in accordance with the Board of Trustees' policy, which conforms with the authority granted in the Ohio Revised Code. The purchase of specific investment instruments is at the discretion of the College's Treasurer within these policy guidelines. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are reported at fair value.

Accounts Receivables
At June 30, 2006 and 2005, accounts receivable consist primarily of student tuition and fees, and intergovernmental grants and contracts.

Inventory
Inventories consist principally of text books, educational materials and other merchandise sold by the bookstore and are stated at cost on the first-in-first-out (FIFO) basis.

Capital Assets
Capital assets with a unit cost of over $5,000, and all library books, are recorded at cost at date of acquisition, or, if donated, at fair market value at the date of donation. Expenditures for construction in progress are capitalized as incurred. Interest expense related to construction is capitalized net of interest income earned on resources set aside for this purpose. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the life of the structure are capitalized. Routine maintenance and repairs are charged to expense as incurred. Depreciation of capital assets is computed using the straight-line method over the estimated useful life of the respective asset, generally 20 years for land improvements, 10 - 50 years for buildings and fixed equipment, 15 years for library books and 4 - 10 years for equipment. Depreciation expense is not allocated to the functional expenditure categories.

Deferred Revenue
Deferred revenue is comprised primarily of receipts relating to tuition and student fees in advance of the services to be provided and grant funds not earned as June 30, 2006 and 2005.

Operating Activities
The College defines operating activities, as reported on the Statement of Revenues, Expenses, and Changes in Net Assets, as those that generally result from exchange transactions, such as payments received for providing goods and services and payments made for goods and services received. Nearly all of the College's expenses are from exchange transactions. All revenues from programmatic sources are considered to be operating revenues. Included in non-operating revenues are state appropriations, investment income, and gifts in accordance with GASB Statement No. 35. Gifts (pledges) that are received on an installment basis are recorded at net present value.

Note 1 - Summary of Significant Accounting Policies (Continued)

Scholarship and Allowances and Student Aid
The College participates in federally funded Pell Grants, SEOG Grants, and Federal Family Education Loan programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Revised Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the Compliance Supplement.

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid, such as loans, is provided to students as awarded by third parties and is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses, or scholarship allowances, which reduce revenues.

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between stated charges for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf.

Pensions
A pension cost provision is recorded when the related payroll is accrued and the obligation is incurred.

Management Estimates
The preparation of 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 periods. Actual results could differ from those estimates. Management estimates primarily relate to collectibility of receivables and compensated absences.

Other Significant Accounting Policies
Other significant accounting policies are set forth in the financial statements and accompanying notes.

Reclassifications
Certain reclassifications have been made to the 2005 financial statements presentations to conform with the 2006 financial statements presentations.

Note 2 - Cash, Cash Equivalents And Investments

Statement No. 3 as amended by Statement No. 40 of the Governmental Accounting Standards Board requires the College to disclose essential risk information about deposits and investments. The disclosure requirements cover four main areas: credit risk, interest rate and investment maturity, interest rate sensitivity and foreign exchange exposure.

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At June 30, 2006 and 2005, $200,000 of the bank balance was covered by federal deposit insurance and the remaining portion $9,795,478 and $15,725,252, respectively, were uninsured but collateralized by pools of securities pledged by the depository bank and held in the name of the bank.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the College's investment policy limits investment portfolio maturities to five years or less.

As of June 30, 2006, the College had the following investments and maturities:

		Investment Maturities (in years)			
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
STAR Ohio	$ 25,965,765	$25,965,765	$ -	$ -	$ -
U.S. Agency Obligations	60,780,904	50,326,217	10,454,687	-	-
Total	$86,746,669	$76,291,982	$10,454,687	$ -	$ -

As of June 30, 2005, the College had the following investments and maturities:

		Investment Maturities (in years)			
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
STAR Ohio	$ 25,806,297	$25,806,297	$ -	$ -	$ -
U.S. Gov't Obligations	16,290,500	16,290,500	-	-	-
U.S. Agency Obligations	30,123,001	28,639,876	1,483,125	-	-
Total	$72,219,798	$70,736,673	$1,483,125	$ -	$ -

Note 2 - Cash, Cash Equivalents And Investments (Continued)

Credit Risk. The College's investments, as stated above were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's rating service has assigned STAR Ohio an Aaa money market rating.

The credit ratings of the College's interest-bearing investments at June 30, 2006, are as follows:

Credit Rating (Moody's)	Total	STAR OHIO	U.S. Government Obligations	U.S. Agency Obligations
Aaa	$86,746,669	$ 25,965,765	$ -	$ 60,780,904
Unrated	-	-	-	-
Total	$86,746,669	$ 25,965,765	$ -	$60,780,904

The credit ratings of the College's interest-bearing investments at June 30, 2005 are as follows:

Credit Rating (Moody's)	Total	STAR OHIO	U.S. Government Obligations	U.S. Agency Obligations
Aaa	$72,219,798	$ 25,806,297	$ 16,290,500	$ 30,123,001
Unrated	-	-	-	-
Total	$72,219,798	$ 25,806,297	$16,290,500	$31,123,001

Concentration of Credit Risk. The College places limits on the amount that may be invested in any one issuer. The following table includes the percentage of the total for each investment type held by the College at June 30, 2006 and 2005:

	Percent of Total	
Type	**2006**	**2005**
STAR Ohio	29.93%	35.73%
Treasury Bills	-	22.56%
Government Agencies	70.07%	41.71%
	100.00%	100.00%

Custodial Credit Risk. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either a counterparty or the counterparty's trust department or agent but not in the government's name. As of June 30, 2006 and 2005, the College's investments in treasury bills and government agency securities were held in custody by a counterparty on behalf of the College.

Note 3 - Pledges, Grants and Accounts Receivable

2006	Gross Receivable	Allowance	Net Receivable
Students' and other	$ 7,401,642	(3,677,030)	$ 3,724,612
Pledge	1,000,000	-	1,000,000
Grants and contracts	11,292,153	-	11,292,153
Total	$19,693,795	(3,677,030)	$ 16,016,765

2005	Gross Receivable	Allowance	Net Receivable
Students' and other	$ 6,830,291	(3,326,875)	$ 3,503,416
Grants and contracts	9,929,538	-	9,929,538
Total	$16,759,829	(3,326,875)	$ 13,432,954

The pledge receivable as of June 30, 2006 represented a non-monetary capital asset contribution of a Federal Express used jet, valued at $1,000,000 to be received in fiscal year 2007.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2006, was as follows:

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
Land	$29,674,722	-	-	$29,674,722
Construction in Progress	19,338,585	4,982,112	(18,849,583)	5,471,114
Total cost of nondepreciable capital assets	49,013,307	4,982,112	(18,849,583)	35,145,836
Buildings	91,197,272	24,118,491	(898,857)	114,416,906
Improvements other than buildings	5,772,980	-	-	5,772,980
Moveable equip, furniture and library books	32,500,046	2,428,169	(1,635,707)	33,292,508
Total cost of depreciable capital assets	129,470,298	26,546,660	(2,534,564)	153,482,394
Total cost of capital assets	178,483,605	31,528,772	(21,384,147)	188,628,230
Less accumulated depreciation				
Buildings	24,459,241	2,206,655	(248,724)	26,417,172
Improvement other than buildings	398,518	211,096	-	609,614
Moveable equip, furniture & library books	23,556,363	1,502,589	(408,935)	24,650,017
Total accumulated depreciation	48,414,122	3,920,340	(657,659)	51,676,803
Capital assets, net	$130,069,483	27,608,432	(20,726,488)	$136,951,427

Note 4 - Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2005, was as follows:

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
Land	$24,111,024	$5,563,698	-	$29,674,722
Construction in Progress	5,783,673	13,554,912	-	19,338,585
Total cost of nondepreciable capital assets	29,894,697	19,118,610	-	49,013,307
Buildings	88,905,647	2,835,576	(543,951)	91,197,272
Improvements other than buildings	5,741,945	31,035	-	5,772,980
Moveable equipment, furniture and library books	30,942,446	2,033,225	(475,625)	32,500,046
Total cost of depreciable capital assets	125,590,038	4,899,836	(1,019,576)	129,470,298
Total cost of capital assets	155,484,735	24,018,446	(1,019,576)	178,483,605
Less accumulated depreciation				
Buildings	22,692,501	1,944,577	(177,837)	24,459,241
Improvement other than buildings	322,145	76,373	-	398,518
Moveable equipment, furniture and library books	22,056,015	1,544,584	(44,236)	23,556,363
Total accumulated depreciation	45,070,661	3,565,534	(222,073)	48,414,122
Capital assets, net	$110,414,074	20,452,912	(797,503)	$130,069,483

Note 5 - Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2006 and 2005, are as follows:

	2006	2005
Payable to vendors and contractors	$ 8,611,968	$ 8,581,771
Accrued expenses, primarily payroll and vacation leave	3,139,006	3,617,960
Employee withholdings and deposits payable to third parties	453,299	532,770
	$ 12,204,273	$ 12,732,501
Current	$ 11,667,773	$ 11,970,836
Noncurrent	536,500	761,665

Note 6 - Long Term Debt

Long-term debt as of June 30, 2006 and 2005, is summarized as follows:

	Balance June 30, 2005	New Debt	Reduction	Balance June 30, 2006	Current Portion	Noncurrent Portion
Series 1997 bonds with interest rates ranging from 3.95 to 5.75%, due serially through 2016	$ 7,220,000	-	(430,000)	6,790,000	$460,000	$6,330,000
Series 2003 bonds with interest rates ranging from 2.0% to 4.5% due serially through 2023	15,480,000	-	(1,020,000)	14,460,000	1,050,000	13,410,000
Annuity Obligation	2,425,627	-	(50,052)	2,375,575	54,747	2,320,828
Total	$25,125,627	-	(1,500,052)	$23,625,575	$1,564,747	$22,060,828

Principal and interest amounts on bonds and annuity obligations for the next five years and thereafter are as follows:

Years Ended June 30,	Principal	Interest	Total
2007	$ 1,564,747	$ 1,132,284	$ 2,697,031
2008	1,634,883	1,070,785	2,705,668
2009	1,655,500	1,007,606	2,663,106
2010	1,741,644	935,549	2,677,193
2011	1,268,366	864,566	2,132,932
2012 - 2016	7,331,894	3,303,165	10,635,059
2017 - 2021	5,779,260	1,543,067	7,322,327
2022 - 2026	2,405,194	352,128	2,757,322
2027 - 2030	244,087	23,539	267,626
Total	$ 23,625,575	$10,232,689	$ 33,858,264

The bonds are serviced by the general receipts of the College, except for receipts expressly excluded as stated in the trust indentures dated April 1, 1997, and December 1, 2003.

At the sole option of the College, the Series 1997 and 2003 bonds maturing on or after December 1, 2007, and June 1, 2014, respectively, are subject to prior redemption, in whole on any date or part (in integral multiples of $5,000). The following summarizes redemption prices (expressed as percentages of the principle amount redeemed), plus accrued interest to the redemption date:

Note 6 - Long-Term Debt (Continued)

Redemption Dates (inclusive)	Redemption Price
Series 1997	
12/1/2007 to 11/30/2008	101%
12/1/2008 and thereafter	100%
Series 2003	
6/1/2014 and thereafter	100%

The series 1997 bonds maturing on December 1, 2016, and the Series 2003 maturing June 1, 2020, and June 1, 2023, in the aggregate principal amount of $4,205,000 and $5,335,000, respectively (the "Term Bonds"), are also subject to mandatory sinking-fund redemption in part by lot pursuant to the terms of the First Supplement Trust Agreement.

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

Year	Series 1997	Series 2003
2011	$ 610,000	
2012	640,000	
2013	680,000	
2014	715,000	
2015	760,000	
2016	800,000	
2018		$ 800,000
2019		830,000
2020		870,000
2021		905,000
2022		945,000
2023		985,000

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

The College also leases classroom space for its off-campus sites under operating leases, which have ending dates ranging through August 2007. Future minimum lease payments under operating leases at June 30, 2006, are as follows:

2007	$ 336,619
2008	40,667
	$ 377,286

Note 7 - Compensated Absences

College faculty and support staff accrue vacation benefits. For all classes of employees, any earned but unused vacation benefit is payable upon termination. Sick leave may be accrued without limit. However, earned but unused sick leave benefits are payable only upon retirement from the College. The amount of sick leave benefit payable at retirement is one-fourth of the value of the accrued but unused sick leave up to a maximum of 320 hours.

The College accrues sick leave liability for those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. This liability is calculated using the "vesting method" which is set forth in Appendix C, Example 5 of GASB Statement No. 16, *Accounting for Compensated Absences*. Under the vesting method, the College calculates the probability factor that employees will meet retention and eligibility requirements.

The liability for the cost of vacation and sick leave benefits is approximately $2,505,800 and $2,976,000 as of June 30, 2006 and 2005, respectively.

Note 8 - State Support

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

In addition to the current operating subsidies, the State of Ohio provides the funding for and constructs major plant facilities on the College's campus. The funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission (OPFC), which in turn causes the construction and subsequent lease of the facility by the Ohio Board of Regents. Such facilities are capitalized by the College as buildings (upon completion) or as construction in progress until completion and turn over to the College by the Board of Regents. Neither the obligation for the revenue bonds issued by the Ohio Public Facilities Commission nor the annual debt service charges for principal and interest on the bonds are reflected in the College's financial statements. The debt service is funded through appropriations to the Ohio Board of Regents by the General Assembly.

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

Note 9 - Retirement Plans

State Teachers Retirement System (STRS)

The College's faculty is covered by the State Teachers Retirement Systems of Ohio (STRS). Substantially all other employees are covered by the School Employees Retirement System (SERS). These retirement programs are statewide cost-sharing multiple employer defined benefit pension plans. They provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by State statute. STRS and SERS issue separate, publicly-available financial reports that include financial statements and required supplementary information. The SERS report may be obtained by writing to SERS, 45 N. Fourth Street, Columbus, Ohio 43215 or by calling (614) 222-5833. The STRS report may be obtained by writing to STRS Ohio, 275 E. Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090 or (888) 227-7877.

The Revised Code of Ohio (ORC) provides STRS and SERS statutory authority for employee and employer contributions. The required, actuarially-determined contribution rates for plan members and the College for 2005 (date most recent information available) were 10% and 14% of covered payroll, for STRS, respectively, and 10% and 14% of covered payroll for SERS, respectively.

The College's contributions, which represent 100% of the required contribution, for the years ended June 30, 2006, and each of the two preceding years were as follows:

	STRS Annual Required Contribution	SERS Annual Required Contribution
2006	$ 5,118,842	$ 3,726,359
2005	5,029,599	3,611,640
2004	5,084,454	3,407,886

Alternative Retirement Plan: The State of Ohio requires public institutions of higher education to offer an alternative retirement plan. This option is an alternate to participating in the State Teachers Retirement System. The alternative retirement plan shall be a defined-contribution plan, with the Ohio employer contribution rate of 3.5% for STRS and 6% for SERS. The College has implemented the alternative retirement plan. In fiscal year 2006, the College's contributions were $19,908 for STRS and $2,502 for SERS. In fiscal year 2005, the College's contributions were $20,509 for STRS and $0 for SERS.

Note 10 - Other Postemployment Benefits

School Employees Retirement System (SERS)

SERS provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents.

Note 10 - Other Postemployment Benefits (Continued)

Coverage is available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Effective Janurary 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. At June 30, 2005, the employer contribution rate for state employers was 14.00% of covered payroll; 3.43% was the portion that was used to fund health care for the year. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. Health care benefits are financed on a pay-as-you-go basis. Net health care costs for the year ending June 30, 2005, were $178,221,113. There were 58,123 eligible benefit recipients.

State Teachers Retirement System (STRS)
STRS Ohio provides access to health care benefits for retirees who participate in the Defined Benefit or Combined Plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the Ohio Revised Code, STRS Ohio has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of monthly premiums. Ohio Revised Code grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of the coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll. For the fiscal year ended June 30, 2005, the board allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund. The balance in the Health Care Stabilization Fund was $3.3 billion on June 30, 2005. For the year ended June 30, 2005, net health care costs paid by STRS Ohio were $254,780,000. There were 115,395 eligible benefit recipients.

Note 11 - Risk Management

The College uses a number of methods to assess and reduce risk of operations. Risk management programs like driver training, professional certifications, safety training in the use of equipment, first aid training like cardio-pulmonary resuscitation (CPR) and the like are conducted to inhibit injury and reduce the results thereof. The College has an agreement with Acordia, a risk management and brokerage company, to aid in this area. Also, the College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The College procures various insurance coverage for property damage, crime, general liability, liquor liability, golf club management liability, and automobile insurance. Coverage amounts vary in terms of peril insured against. The College has not had a significant reduction in coverage from the prior year. Settled claims have not exceeded any aforementioned commercial coverage in any of the past three years.

Note 12 - Capital Projects Commitments

At June 30, 2006 and 2005, the College was committed to future capital expenditures as follows:

	2006	2005
Contractual commitments		
Child Development Center	$ -	$2,300,000
Retail Complex	-	7,500,000
Total future project costs	$ -	$9,800,000

Note 13 - Encumbrances

Encumbrances are contractual commitments made by the College for the purchase of goods and services. However, as of the balance sheet date, such goods have not been delivered or services rendered. Encumbrances (excluding amounts for Board allocations) were $21,307 and $575,264, as of June 30, 2006 and 2005.

Note 14 - Pending Litigation

At June 30, 2006, there were several lawsuits and claims pending against the College. In the opinion of management, the ultimate liabilities, if any, resulting from such lawsuits and claims will not materially affect the financial position of the College.

Note 15 - Operating Expenses By Natural Classification

The College's operating expenses by natural classification were as follows for the years ended June 30, 2006 and 2005:

	2006	2005
Salaries and wages	$ 65,948,456	$ 64,503,577
Employee benefits	16,164,564	16,589,464
Utilities	3,011,602	2,494,429
Supplies and other services	29,749,831	24,895,492
Depreciation	3,920,340	3,565,534
Student scholarships and financial aid	14,616,591	11,523,099
	$133,411,384	$123,571,595

Note 16 - Component Unit Disclosures

The following disclosures relate to the Columbus State Community College Development Foundation, Inc. (the Foundation). Copies of the Foundation's separately issued financials statements can be obtained by contacting the Foundation's business office.

Organization

The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Statements of Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue and recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial statements for these differences.

Cash, Cash Equivalents and Investments

As discussed in Note 2, Statement No. 3 as amended by Statement No. 40 of the Governmental Accounting Standards Board requires the disclosure of essential risk information about deposits and investments. As of June 30, 2006, the Foundation had bank cash carrying value of $451,616, which was exposed to custodial credit risk. These funds were uninsured but collateralized with the collateral held by the pledging bank's trust department but not in the College's name.

Investments

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

	2006		2005	
	Cost	Fair Value	Cost	Fair Value
Closed End Equity Funds	$ 3,070,945	$ 3,148,794	$ 1,374,544	$ 2,928,352
Common Stocks/Options	654,298	679,113	1,987,349	508,410
	$ 3,725,243	$ 3,827,907	$ 3,384,857	$ 3,436,762

Promises to Give

Unconditional promises to give consist of the following as of June 30, 2006 and 2005:

	2006	**2005**
Outstanding Pledges at Year End	$1,769,743	$613,750
Less: Discounts and allowance for uncollectible pledges	(39,440)	(33,307)
Unconditional promises to give, net	$1,730,303	$580,443

Included in the promise to give at June 30, 2006, was a non-monetary gift pledge of a Federal Express jet, the value of which was estimated at $1,000,000. The Foundation also reflected this gift as a liability to the College since the gift was a pass-through to the College aviation and law enforcement programs. The College also recorded this gift as a pledge receivable as of June 30, 2006.

Note 16 - Component Unit Disclosures (Continued)

As of June 30, 2006:

Amounts due to be received in:	Gross Amount	Allowance/ Discount	Net Amount
Less than one year	$ 1,332,925	-	$ 1,332,925
One to five years	436,818	(39,440)	397,378
Total	$ 1,769,743	(39,440)	$ 1,730,303

As of June 30, 2005:

Amounts due to be received in:	Gross Amount	Allowance/ Discount	Net Amount
Less than one year	$ 133,750	-	$ 133,750
One to five years	480,000	(33,307)	446,693
Total	$ 613,750	(33,307)	$ 580,443

During 2005, the Foundation began soliciting contributions for a major gifts campaign. As of June 30, 2006 and 2005, 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 $39,440 and $33,307 as of June 30, 2006 and 2005, respectively.

Note 17 - Termination Benefits

Government Accounting Standards Board Statement No. 47 - *Accounting for Termination Benefits* established guidelines for valuating and recording termination benefits due to voluntary or involuntary terminations. The standard became applicable for the fiscal year ended June 30, 2006. The Board of Trustees approved a Voluntary Early Retirement Incentive Program (ERI) in March 2005. In light of enrollment declines in 2005 and continued decreases in state funding for higher education, an ERI was offered, giving the College an opportunity to take a comprehensive look at the organizational structure to ensure the proper alignment of staff, administrators, faculty, and resources. Unallocated funds were designated to purchase three years of service for each interested employee meeting the eligible criteria set by the respective retirement system, School Employees Retirement System (SERS) and the State Teachers Retirement System (SRS). Individuals interested in taking advantage of the ERI had to sign up by September 30, 2005. The ERI program closed on June 30, 2006 for individuals retiring under the SERS, and closes on August 31, 2006 for those retiring under the STRS. Of 75 employees who signed up for the program, 62 retired, with approximately $5.1 million incurred by the College. Included in the $5.1 million incurred were the termination benefits for both SERS and STRS employees who had taken the ERI as of June 30, 2006. The ERI is governed by the rules in each retirement system.

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2006

	CFDA #	Pass Through Entity Number	Disbursements
US DEPARTMENT OF EDUCATION			
Direct Recipient			
Student Financial Aid Cluster:			
FSEOG	84.007		$ 547,927
FFEL	84.032		29,649,073
Work Study	84.033		306,188
Federal Pell Grant	84.063		18,145,976
Total Student Financial Aid Cluster			48,649,164
TRIO Cluster			
Upward Bound	84.047		276,472
Student Support Services	84.042A		300,948
Total TRIO Cluster			577,420
Passed Through State Department of Education			
Vocational Education	84.048	20-C2	296,703
Fund for the Improvement of Postsecondary Education	84.116Z		5,280
Business and International Education Projects	84.153A		52,346
Technical Prep Grant	84.243	3E-00	329,531
21st Century	84.287		422,738
Child Care Access Means Parents in School	84.335A		132,692
Summer Food Service Program for Children	10.559		7,449
Small Business Development Center	59.037		323,423
Total Passed Through State Department of Ed			1,570,162
Total U.S. Department of Education			50,796,746
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Franklin County Department of Jobs and Family Services			
Temporary Assistance for Needy Families	93.558		1,180,577
Passed Through Child Development Council of Frankling County			
Head Start	93.600		13,679
Total Department of Health and Human Services			1,194,256
DEPARTMENT OF LABOR			
Direct Recipient			
WIA Pilots, Demonstrations and Research Projects	17.261		281,182
Passed Through State Department of Education			
WIA Cluster			
WIA ADULT PROGRAM	17.258		5,682
WIA Youth Activities	17.259		32,396
WIA Dislocated Workers	17.260		35,952
Total WIA Cluster			74,030
Total Department of Labor			355,212
TOTAL FEDERAL AWARD EXPENDITURES			**$ 52,346,214**

COLUMBUS STATE COMMUNITY COLLEGE
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the College and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the College's financial statements.

Note 2 - Federal Family Education Loan Program

The amount included on the schedule of expenditures of federal awards represents new loans advanced during the fiscal year ended June 30, 2006. The College is not a direct lender of Federal Family Education Loans (FFELs). The amount represents the value of new FFELs awarded and disbursed to the College's students during the year as follows:

Federal Subsidized Stafford Loans	$ 17,442,096
Federal Unsubsidized Stafford Loans	11,664,677
Federal PLUS Loans	542,300
Total FFELs	$ 29,649,073

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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

We have audited the financial statements of Columbus State Community College (the College), a component unit of the State of Ohio, as of and for the year ended June 30, 2006, and have issued our report thereon dated October 6, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.*

However, we noted certain matters involving the internal control over financial reporting, which we have reported to management of the College in a separate letter dated October 6, 2006.

This report is intended solely for the use of the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Parms & Company, LLC

October 6, 2006
Columbus, Ohio

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Columbus State Community College

Compliance

We have audited the compliance of Columbus State Community College, a component unit of the State of Ohio, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Columbus State Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Columbus State Community College's management. Our responsibility is to express an opinion on Columbus State Community College's compliance based on our audit.

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

In our opinion, Columbus State Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of Columbus State Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Columbus State Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended solely for the use of the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Parms & Company, LLC

October 6, 2006
Columbus, Ohio

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2006

Section I. Summary of Auditor's Results

A. *Financial Statements*:

1. Type of auditor's report issued: UNQUALIFIED

2. Internal control over financial reporting:
   a. Material weakness(es) identified? ___Yes _X_No

   b. Reportable condition(s) identified that are not considered to be material weakness(es)? ___Yes _X_No

3. Noncompliance material to financial statements noted? ___Yes _X_No

B. *Federal Awards:*

1. Internal control over major programs:
   a. Material weakness(es) identified? ___Yes _X_No

   b. Reportable condition(s) identified that are not considered to be material weakness(es)? ___Yes _X_No

2. Type of auditor's report issued on compliance for major programs: UNQUALIFIED

3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ___Yes _X_No

4. Identification of major programs by program name (CFDA Number(s)):

   - Student Financial Assistance Cluster (84.007, 84.032, 84.033 and 84.063)
   - Temporary Assistance for Needy Families (93.558)

5. Dollar threshold used to distinguish between Type A and Type B programs: $ 680,914

6. Auditee qualified as low-risk auditee? _X_Yes ___No

COLUMBUS STATE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(continued)
For the Year Ended June 30, 2006

Section II. Financial Statement Findings

No findings.

Section III. Federal Award Findings and Questioned Costs

No findings.

Section IV. Summary of Prior Audit Findings

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

Mary Taylor, CPA
Auditor of State

COLUMBUS STATE COMMUNITY COLLEGE

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 23, 2007

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