COLUMBUS STATE COMMUNITY COLLEGE DEVELOPMENT FOUNDATION, INC.

Financial Statements
June 30, 2012 and 2011

With

Independent Auditors' Report

PARMS & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Dave Yost • 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, 2011 through June 30, 2012. 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.

Dave Yost
Auditor of State

December 24, 2012

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COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.

TABLE OF CONTENTS

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, 2012 and 2011, 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, 2012 and 2011, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* we have also issued our report dated December 11, 2012, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Parms & Company, LLC

Columbus, Ohio
December 11, 2012

COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
Statements of Financial Position
As of June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash	$ 99,464	$ 202,030
Investments	5,660,956	5,546,880
Pledges receivable	75,850	59,596
Total assets	$ 5,836,270	$ 5,808,506
LIABILITIES		
Trade payables	$ 1,417	$ 16,220
Due Columbus State Community College	826	19,968
Total liabilities	2,243	36,188
NET ASSETS		
Unrestricted	659,317	437,020
Temporarily restricted	1,528,190	1,775,417
Permanently restricted	3,646,520	3,559,881
Total net assets	5,834,027	5,772,318
Total liabilities and net assets	$ 5,836,270	$ 5,808,506

See accompanying notes to the financial statements.

COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
Statement of Activities
For the Year Ended June 30, 2012

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT				
Contributions	$ 217,746	252,382	84,155	$ 554,283
Non-monetary contributions	32,750	-	-	32,750
Investment income:				
Dividends and net realized gain	176,153	48,412	-	224,565
Net unrealized loss	(73,801)	(17,999)		(91,800)
Administrative fee income	47,584	-	-	47,584
Net assets released from restrictions:				
Satisfaction of program restrictions	530,022	(530,022)	-	-
Total revenue and support	930,454	(247,227)	84,155	767,382
EXPENSES				
Scholarships	283,420	-	-	283,420
College programs	163,840	-	-	163,840
Management and general	258,413	-	-	258,413
Total expenses	705,673	-	-	705,673
CHANGE IN NET ASSETS	224,781	(247,227)	84,155	61,709
OTHER CHANGES IN NET ASSETS				
Transfer of earnings	(2,484)	-	2,484	-
NET ASSETS				
Beginning of year	437,020	1,775,417	3,559,881	5,772,318
End of year	$ 659,317	1,528,190	3,646,520	$ 5,834,027

See accompanying notes to the financial statements.

COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
Statement of Activities
For the Year Ended June 30, 2011

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT				
Contributions	$ 142,330	222,786	107,616	$ 472,732
Non-monetary contributions	-	152,940	-	152,940
Investment income:				
Dividends and net realized gain	226,623	58,709	-	285,332
Net unrealized gain	474,575	125,075		599,650
Administrative fee income	47,214	-	-	47,214
Net assets released from restrictions:				
Satisfaction of program restrictions	488,448	(488,448)	-	-
Total revenue and support	1,379,190	71,062	107,616	1,557,868
EXPENSES				
Scholarships	288,294	-	-	288,294
College programs	152,940	-	-	152,940
Management and general	227,909	-	-	227,909
Total expenses	669,143	-	-	669,143
CHANGE IN NET ASSETS	710,047	71,062	107,616	888,725
OTHER CHANGES IN NET ASSETS				
Transfer of earnings	(500)	(28,500)	29,000	-
NET ASSETS				
Beginning of year	(272,527)	1,732,855	3,423,265	4,883,593
End of year	$ 437,020	1,775,417	3,559,881	$ 5,772,318

See accompanying notes to the financial statements.

COLUMBUS STATE COMMUNITY COLLEGE
DEVELOPMENT FOUNDATION, INC.
Statements of Cash Flows
For the Years Ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 61,709	$ 888,725
Adjustments to reconcile change in net assets to net cash used by operating activities		
Net unrealized (gains) losses on investments	91,800	(599,650)
Effects of changes in assets and liabilities:		
Change in pledges receivable	(16,254)	93,057
Change in accounts receivable	-	1,297
Change in accounts payable	(33,945)	16,221
Net cash provided by operating activities	103,310	399,650
CASH FLOWS FROM INVESTING ACTIVITIES		
Net sale (purchase) of investments	(205,876)	(666,118)
NET INCREASE IN CASH	(102,566)	(266,468)
CASH AND CASH EQUIVALENTS, BEGINNING	202,030	468,498
CASH AND CASH EQUIVALENTS, ENDING	$ 99,464	$ 202,030

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 financial statements have been prepared on the accrual basis of accounting. The financial presentation follows the recommendations of the Financial Accounting Standards Board in ASC 958. Under ASC 958, the Foundation is required to report information regarding its financial position and activities according to the following three classes of net assets:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation or the passage of time.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

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 FASB ASC 820. 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.

Note 1 - Summary of Significant Accounting Policies - (Continued)

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 0.09% and 0.02 % for fiscal years 2012 and 2011.

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 – Included in the Statement of Activities for 2012 and 2011, is $32,750 and $152,940, respectively, 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 $398,144 and $412,668, for fiscal years 2012 and 2011, 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.

Income taxes - The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation has adopted FASB ASC 740-10-25, which clarifies accounting for uncertainty in income taxes reported in financial statements. The interpretation provides criteria for assessment of individual tax positions and a process for recognition and measurement of uncertain tax positions. The Foundation's Form 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2009, 2010, and 2011 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Note 1 - Summary of Significant Accounting Policies - (Continued)

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, 2012 and 2011. The Foundation estimates fair values of its financial instruments using available quoted market information in accordance with FASB ASC 820 *Fair Value Measurements and Disclosures*. 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.

Donor restricted endowment funds - The provisions of FASB ASC 958-205-45 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.

Note 2 - Cash

The Foundation maintains its cash account with one bank. 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, 2012. 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, 2012 and 2011, the Foundation had a balance per bank of $108,349 and $175,046, respectively. The difference between bank balance and carrying value represent normal reconciling items.

Note 3 - Investments

The following summarizes the fair value of investments held at June 30, 2012 and 2011:

	2012	2011
Money Market Accounts	$ 145,578	$ 139,403
Equity Mutual Funds	1,950,543	3,843,853
Common & Preferred Stock	3,214,924	1,337,668
Fixed Income Securities	106,385	-
Corporate Bonds	243,526	188,287
Municipal Bonds	-	37,669
Total	$5,660,956	$5,546,880

As defined in FASB ASC 820, *fair value* is 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. FASB ASC 820 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:

Note 3 - Investments (Continued)

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 as of June 30, 2012 and 2011:

	Fair Value Measurements At June 30, 2012 Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash & Money Markets	$ -	$ 145,578	$ -
Equity Funds	1,950,543	-	-
Common & Preferred Stock	3,214,924	-	-
Fixed Income Securities	106,385	-	-
Corporate Bonds	243,526	-	-
Municipal Bonds	-	-	-
Total	$5,515,378	$ 145,578	$ -

	Fair Value Measurements At June 30, 2011 Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash & Money Markets	$ -	$ 139,403	$ -
Equity Funds	3,843,853	-	-
Common & Preferred Stock	1,337,668	-	-
Corporate Bonds	188,287	-	-
Municipal Bonds	-	37,669	-
Total	$5,369,808	$ 177,072	$ -

Note 4 – Endowment Composition

The Foundation's endowment consists of investments held at Morgan Stanley Wealth Management. These endowments are made up of donor-restricted endowment funds. As required by applicable standards, all net assets associated with endowment funds 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, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Donor restricted endowment funds	$(17,380)	187,786	3,646,520	$3,816,926
Board-designated funds	-	-	-	-
Total	$(17,380)	187,786	3,646,520	$3,816,926

Endowment net asset composition by type of fund as of June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Donor restricted endowment funds	$(5,330)	297,259	3,559,881	$3,851,810
Board-designated funds	-	-	-	-
Total	$(5,330)	297,259	3,599,881	$3,851,810

Changes in endowment net assets for the year ended June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Net Assets, Beginning of Year	$ (5,330)	297,259	3,559,881	$ 3,851,810
Investment income, net	-	27,109	-	27,109
Net appreciation (realized and unrealized gains/losses)	2,205	1,099		3,304
Contributions	-	-	86,639	86,639
Reclassification for UPMIFA	(5,970)	5,970	-	-
Appropriation of endowment assets for expenditure	(8,285)	(98,607)	-	(104,109)
Net Assets, End of Year	$ (17,380)	187,786	3,646,520	$ 3,816,926

Changes in endowment net assets for the year ended June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Net Assets, Beginning of Year	$ (29,656)	287,191	3,423,265	$ 3,680,800
Investment income, net	-	32,473	-	32,473
Net appreciation (realized and unrealized gains/losses	48,477	102,834		151,311
Contributions	-	-	136,616	136,616
Reclassification for UPMIFA	(412)	412	-	-
Appropriation of endowment assets for expenditure	(23,739)	(125,651)	-	(149,390)
Net Assets, End of Year	$ (5 330)	297,259	3,559,881	$ 3,851,810

Note 4 – Endowment Composition (Continued)

Interpretation of UPMIFA: The Foundation has interpreted the State of Ohio's 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, the 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.

Note 4 – Endowment Composition (Continued)

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 $17,380, and $29,656 as of June 30, 2012 and 2011, 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, 2012 and 2011:

	2012	2011
Support What Works Campaign Pledges	$ 23,000	$58,419
Annual Pledges	52,850	1,200
Less: Discount and allowance	-	(23)
Total	$ 75,850	$ 59,596

As of June 30, 2012, amounts due to be received in:

	Gross	Discount	Net
Less than one year	$ 75,850	-	75,850
One to five years	-	-	-
Total	$ 75,850	-	$ 75,850

As of June 30, 2011, amounts due to be received in:

	Gross	Discount	Net
Less than one year	$ 19,619	-	19,619
One to five years	40,000	(23)	39,977
Total	$ 59,619	(23)	$ 59,596

During 2005, the Foundation began soliciting contributions for a major gifts campaign (Support What Works Campaign). As of June 30, 2012, 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 $38 and $23 as of June 30, 2012 and 2011.

Note 6 – Net Assets:

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

	2012	2011
General Support of College Programs	$172,387	$207,546
Equipment	302,781	302,189
Lecture Series	43,258	43,258
Special Projects	70,238	92,370
General Support of Administration	3,233	6,914
Scholarships	936,293	1,123,140
Total Temporarily Restricted Net Assets	$1,528,190	$1,775,417

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

	2012	2011
College Programs	$ 10,000	$ 10,000
Special Projects	44,151	44,151
General Support of Administration	285,001	285,001
Scholarships	3,307,368	3,220,729
Total Permanently Restricted Net Assets	$3,646,520	$3,559,881

Note 7 - Subsequent Events:

Management has performed an analysis of the activities and transactions subsequent to June 30, 2012 to determine the need for any adjustments or disclosures within the audited financial statements for the year ended June 30, 2012. Management has performed their analysis through December 11, 2012, the date this report was available to be issued.

PARMS & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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**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, 2012, and have issued our report thereon dated December 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

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

This report is intended solely for the use of the audit committee and management and is not intended to be and should not be used by anyone other than these specified parties.

Parms & Company, LLC

December 11, 2012
Columbus, Ohio

COLUMBUS STATE COMMUNITY COLLEGE DEVELOPMENT FOUNDATION, INC

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 29, 2013