

**CLARK STATE COMMUNITY COLLEGE
FOUNDATION**

Financial Statements

June 30, 1999 and 1998

with

Independent Auditors' Report

CLARK STATE COMMUNITY COLLEGE FOUNDATION

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STATE OF OHIO
OFFICE OF THE AUDITOR


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Board of Trustees
Clark State Community College Foundation

We have reviewed the independent auditor's report of the Clark State Community College Foundation, Clark County, prepared by Clark, Schaefer, Hackett & Company, Certified Public Accountants, for the audit period July 1, 1998 through June 30, 1999. 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 Clark State Community College Foundation is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

February 9, 2000

CLARK STATE COMMUNITY COLLEGE FOUNDATION

Statements of Financial Position

June 30, 1999 and 1998

Assets

	<u>1999</u>	<u>1998</u>
Cash	\$ 208,538	226,376
Investments	1,767,164	1,274,844
Interest receivable	13,757	9,821
Accounts receivable, Clark State Community College	96,913	10,621
Pledges receivable, net of allowance for doubtful accounts of \$-0- and \$-0-	2,507	19,224
Student loans receivable, net of allowance for doubtful accounts of \$4,285 and \$13,988	<u>37,215</u>	<u>28,133</u>
 Total assets	 \$ <u>2,126,094</u>	 <u>1,569,019</u>

Liabilities and Net Assets

Payable to Clark State Community College	\$ <u>13,015</u>	<u>13,229</u>
Net assets.		
Unrestricted	858,678	759,627
Temporarily restricted	231,227	185,952
Permanently restricted	<u>1,023,174</u>	<u>610,211</u>
 Total net assets	 <u>2,113,079</u>	 <u>1,555,790</u>
	 \$ <u>2,126,094</u>	 <u>1,569,019</u>

See notes to financial statements

CLARK STATE COMMUNITY COLLEGE FOUNDATION

Statements of Activities

Years Ended June 30, 1999 and 1998

	1999			<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
Revenue and support.				
Contributions	\$ 46,600	39,566	434,743	520,909
Fundraising	-	98,072	-	98,072
Interest	11,470	7,900	35,657	55,027
Miscellaneous	-	-	-	-
Net unrealized gains on investments	9,939	-	78,956	88,895
Net assets released from restrictions.				
Satisfaction of program restrictions	<u>154,444</u>	<u>(154,444)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>222,453</u>	<u>(8,906)</u>	<u>549,356</u>	<u>762,903</u>
Expenses:				
Programs	137,929	-	-	137,929
Management and general	2,200	-	-	2,200
Fund raising	<u>65,485</u>	<u>-</u>	<u>-</u>	<u>65,485</u>
Total expenses	<u>205,614</u>	<u>-</u>	<u>-</u>	<u>205,614</u>
Increase (decrease) in net assets	16,839	(8,906)	549,356	557,289
Other changes in net assets.				
Transfer of earnings	-	54,181	(54,181)	-
Transfer of board designated endowment	82,212	-	(82,212)	-
Net assets, beginning of year	<u>759,627</u>	<u>185,952</u>	<u>610,211</u>	<u>1,555,790</u>
Net assets, end of year	<u>\$ 858,678</u>	<u>231,227</u>	<u>1,023,174</u>	<u>2,113,079</u>

See notes to financial statements.

1998

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
56,248	51,852	115,615	223,715
-	-	-	-
8,677	6,972	29,109	44,758
350	7,319	-	7,669
12,917	-	145,524	158,441
<u>44,544</u>	<u>(44,544)</u>	<u>-</u>	<u>-</u>
<u>122,736</u>	<u>21,599</u>	<u>290,248</u>	<u>434,583</u>
106,862	-	-	106,862
2,000	-	-	2,000
2,436	-	-	2,436
<u>111,298</u>	<u>-</u>	<u>-</u>	<u>111,298</u>
11,438	21,599	290,248	323,285
10,584	18,525	(29,109)	-
435,432	-	(435,432)	-
<u>302,173</u>	<u>145,828</u>	<u>784,504</u>	<u>1,232,505</u>
<u>759,627</u>	<u>185,952</u>	<u>610,211</u>	<u>1,555,790</u>

CLARK STATE COMMUNITY COLLEGE FOUNDATION

Statements of Cash Flows

June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities		
Increase in net assets	\$ 557,289	323,285
Adjustments to reconcile change in net assets to net cash used by operating activities		
Net unrealized gains on investments	(88,895)	(158,441)
Effects of changes in operating assets and liabilities		
Decrease (increase) in receivables	(82,594)	(11,422)
Increase (decrease) in payable to Clark State Community College	<u>(213)</u>	<u>13,229</u>
Net cash provided by operating activities	<u>385,587</u>	<u>166,651</u>
 Cash flows from investing activities		
Purchase of investments	(422,714)	(142,252)
Principal redeemed	<u>19,289</u>	<u>12,847</u>
Net cash used for investing activities	<u>(403,425)</u>	<u>(129,405)</u>
 Net increase (decrease) in cash	(17,838)	37,246
 Cash, beginning of year	<u>226,376</u>	<u>189,130</u>
 Cash, end of year	\$ <u><u>208,538</u></u>	<u><u>226,376</u></u>

See notes to financial statements

CLARK STATE COMMUNITY COLLEGE FOUNDATION

Notes to Financial Statements

1 Summary of Significant Accounting Policies

The financial statements of Clark State Community College Foundation have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization

The Clark State Community College Foundation (Foundation) is a not-for-profit Ohio corporation to aid and promote education at Clark State Community College and to assist students attending Clark State Community College. Administrative services are provided by Clark State Community College.

Financial statement presentation

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

Cash

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

Revenue

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

Investments

Investments are stated at fair value and represent shares with The Common Fund, a not-for-profit organization that pools the resources of various colleges, universities and other not-for-profit organizations. Realized and unrealized gains and losses are reported in the statement of activities.

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 statements 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.

2 Cash

A summary of cash follows:

	<u>1999</u>	<u>1998</u>
Checking account, National City Bank	\$ 203,048	220,997
Savings account, National City Bank	<u>5,490</u>	<u>5,379</u>
	<u>\$ 208,538</u>	<u>226,376</u>

Cash accounts at banks are insured by the FDIC for up to \$100,000. The National City account exceeds insured limits by \$111,019 and \$124,289, for 1999 and 1998, respectively.

3 Investments

The following summarizes investment values at June 30:

	<u>1999</u>		<u>1998</u>	
	Cost	Market	Cost	Market
Bond fund:				
Unrestricted	\$ 43,101	41,547	42,585	42,448
Endowment	<u>473,964</u>	<u>469,096</u>	<u>305,168</u>	<u>316,046</u>
	<u>517,065</u>	<u>510,643</u>	<u>347,753</u>	<u>358,494</u>
Equity fund:				
Unrestricted	49,530	106,982	51,683	97,779
Endowment	<u>636,084</u>	<u>1,030,165</u>	<u>406,620</u>	<u>705,999</u>
	685,614	1,137,147	458,303	803,778
Certificates of Deposit	<u>119,374</u>	<u>119,374</u>	<u>112,572</u>	<u>112,572</u>
Total	<u>\$1,322,053</u>	<u>1,767,164</u>	<u>918,628</u>	<u>1,274,844</u>

4. Net Assets.

The following summarizes the purposes and restrictions of the funds.

Unrestricted

Undesignated:

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

	<u>1999</u>	<u>1998</u>
	\$ <u>46,487</u>	<u>14,642</u>

Board designated funds

The following represents funds established by the Board of Trustees to be retained and invested until sufficient funds have accumulated, as determined by the Board, to fund Board designated projects.

	<u>1999</u>	<u>1998</u>
Grosh Memorial Fund, income to accumulate, with no designated purpose at this time.	1,565	1,462
Richard O. Brinkman Memorial Fund, income to accumulate with no designated purpose at this time	12,620	13,271
Faculty/Staff Development Fund, to be used for faculty and staff development projects.	49,595	48,624
Student Life/Cultural Events Fund, to be used for sponsoring student and cultural activities.	1,052	4,223
Scholarship Fund, to be used for general scholarships.	83,067	98,730
Lyons Fund, income to be accumulated, with no designated purpose at this time.	(2,027)	6,929
Child care scholarships.	5,158	11,100
Quasi - endowment.	118,985	115,696
Marketing Fund, to be used for fundraising and increasing community awareness	7,807	7,218

Board designated funds (continued).

The Discretionary Fund, to be used to provide emergency student loans up to \$300	2,365	2,300
College Endowment Fund, use is undecided at this time	<u>532,004</u>	<u>435,432</u>
Board designated net assets	<u>812,191</u>	<u>744,985</u>
Total unrestricted net assets	\$ <u>858,678</u>	<u>759,627</u>

Temporarily Restricted

Scholarship fund

The scholarship fund was established to provide scholarships based on individual fund criteria to Clark State Community College students.

	<u>1999</u>	<u>1998</u>
Elliot Scholarship	\$ 10,578	13,890
Hilda Seaman	8,131	7,444
Florence Hilbert Fund	10,798	5,161
South High Alumni	744	609
Mildred Penwell	3,231	3,772
Ilean Moore Nursing Scholarship - Nursing	4,422	6,512
Kerber	1,553	1,271
Dan Pond Fund	931	2,163
Arthur Wall Fund - Police	2,155	2,611
Zonta Fund	2,876	(337)
Lions Club Fund	95	78
Vernay Laboratories	13,702	10,622
Faculty Fund	561	3,457
Remerowski	5,102	4,176
Connie Murphy Fund	1,992	1,631
Rotary	4,055	2,881
Steno Fund	33	186
PERI Fund	42	195
Robbins & Myers Fund	64	364
Accounting Fund	1,004	2,837
Hickes Nursing Scholarship Fund	780	385
Mercy Hospital Fund	9	49
Sander, Shifman, Brannick Accounting Fund	10	48
Union Club Fund	5,142	3,729
Frontiers	1,360	2,676
Monte Zinn Fund	(1,574)	(1,417)
RN Scholarship	3,730	1,912
Bennett Fund	1,395	1,142
Building Industries Assoc. Fund	832	681
Miller Fund	3,482	26,814

Temporarily Restricted (continued)

Aetna	2,628	2,151
National City Bank	37	141
Frazier Court reporting	3,488	846
Gala	3,809	3,722
Circle of Friends	39	-
Oak Ridge Boys Benefit Concert	50,153	-
Armed Forces Community Elec Assoc.	709	-
Wenrick	4,116	-
Ann Field	771	-
PGA	6,747	-
Theatre	<u>117</u>	<u>-</u>
Sub-total	<u>159,849</u>	<u>112,402</u>

Dorothy Mumma Tuition Loan Fund

An unrestricted loan fund established by the Board of Trustees from a bequest in perpetuity, the income from which goes annually to Clark State Community College. The income is to be utilized by Clark State Community College for the purpose of book and tuition loans to students. Repayments of student loans shall become part of fund for future loan purposes. The fund does not charge interest; however, a nominal loan fee is charged.

	<u>71,378</u>	<u>73,550</u>
Total temporarily restricted net assets	\$ <u>231,227</u>	<u>185,952</u>

Permanently Restricted:

The following represents endowed funds at June 30,	<u>1999</u>	<u>1998</u>
Mildred Miller Endowment Fund, income to be used for unspecified scholarships	\$ 322,352	315,805
Dan Pond Memorial Endowment Fund, income to be used for scholar- ships to agriculture students	14,996	14,692
Hilda Seaman Endowment Fund, income to be used to assist visually im- paired students.	26,555	26,015
Arthur Wall, Jr. Memorial Endowment Fund, income to be used for scholarships to law enforcement students.	11,035	10,811

Permanently Restricted (continued).

Ilean Moore Endowment Fund, income to be used for scholarships to nursing students	66,383	65,034
Faculty Endowment Fund, income to be used for scholarships according to faculty approved criteria.	37,743	36,283
Frontier's Endowment Fund, income to be used for scholarships to minority students	37,840	36,892
Elliot Endowment Fund, income to be used for unspecified scholarships	112,005	91,779
Hickes Endowment Fund, income to be used for scholarships to nursing students	13,766	12,900
Morris Endowment Fund, income to be used for scholarships to accounting students	158,102	-
PAC Endowment Fund, income to be used for operation of the Performing Arts Center.	79,051	-
Technology Endowment Fund, income to be used to support Clark State Community College technology.	90,645	-
Child Care Endowment Fund, income to be used for student's children to attend Clark State Community College's Early Childhood Education Center.	<u>52,701</u>	<u>-</u>
Total permanently restricted net assets	\$ <u>1,023,174</u>	<u>610,211</u>

5. Prior Year Restatement:

Based on the purpose of the Board Designated endowment, the 1998 fund balance was reclassified from permanently restricted to board designated (unrestricted). Certain other items were reclassified to make comparative with the 1999 statements.

6. Year 2000 Readiness (Unaudited):

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter Management cannot assure that the Foundation is or will be Year 2000 ready, that the Foundation's remediation efforts will be successful in whole or in part, or that parties with whom the Foundation does business will be Year 2000 ready.

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Report on Compliance and on Internal Control Over Financial
Reporting based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

To the Board of Trustees of
Clark State Community College Foundation

We have audited the financial statements of Clark State Community College Foundation (a nonprofit organization) as of and for the year ended June 30, 1999, and have issued our report thereon dated November 17, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Clark State Community College Foundation'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*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Clark State Community College Foundation'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 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. However, we noted other matters involving internal controls over financial reporting, which we have reported to the management of Clark State Community College Foundation in a separate letter dated November 17, 1999.

This report is intended solely for the information and use of the audit committee, management, others within the organization and 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.

Clark, Schaefer, Hackett & Co.
Springfield, Ohio
November 17, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CLARK STATE COMMUNITY COLLEGE FOUNDATION

CLARK 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.

By: Susan Babbitt

Date: MARCH 2, 2000