

**CLARK STATE COMMUNITY COLLEGE
FOUNDATION**

Financial Statement

June 30, 2001 and 2000

with

Independent Auditors' Report



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Directors
Clark State Community College Foundation
570 Leffels Lane
Springfield, Ohio 45502

We have reviewed the Independent Auditor's Report of the Clark State Community College Foundation, Clark County, prepared by Clark, Schaefer, Hackett & Co, for the audit period July 1, 2000 through June 30, 2001. 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

November 5, 2001

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CLARK STATE COMMUNITY COLLEGE FOUNDATION

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

Independent Auditors' Report

Board of Directors
Clark State Community College Foundation
Springfield, Ohio

We have audited the accompanying statements of financial position of Clark State Community College Foundation (a nonprofit organization) as of June 30, 2001 and 2000, and the related statements of activities and statements of 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 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 statement. 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 Clark State Community College Foundation as of June 30, 2001 and 2000, and the results of its operations and its cash flow for the years then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2001, on our consideration of Clark State Community College Foundations' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

Clark, Schaefer, Hackett & Co.
Springfield, Ohio
September 7, 2001

CLARK STATE COMMUNITY COLLEGE FOUNDATION

Statements of Financial Position

June 30, 2001 and 2000

	<u>Assets</u>	
	<u>2001</u>	<u>2000</u>
Cash	\$ 216,737	139,580
Investments	2,620,728	2,448,823
Interest receivable	-	20,771
Accounts receivable, Clark State Community College	68,506	9,625
Pledges receivable	3,007	3,762
Student loans receivable, net of allowance for doubtful accounts of \$37,224 and \$10,984, respectively	<u>70,800</u>	<u>49,494</u>
Total assets	\$ <u>2,979,778</u>	<u>2,672,055</u>
	<u>Liabilities and Net Assets</u>	
Payable to Clark State Community College	\$ <u>46,284</u>	<u>21,817</u>
Net assets:		
Unrestricted	421,750	447,735
Temporarily restricted	522,943	393,499
Permanently restricted	<u>1,988,801</u>	<u>1,809,004</u>
Total net assets	<u>2,933,494</u>	<u>2,650,238</u>
	\$ <u>2,979,778</u>	<u>2,672,055</u>

See accompanying notes to the financial statements.

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CLARK STATE COMMUNITY COLLEGE FOUNDATION

Statements of Activities

Years Ended June 30, 2001 and 2000

	2001			<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
Revenue and support:				
Contributions	\$ 51,943	135,159	519	187,621
Fundraising	-	56,376	-	56,376
Interest	5,210	22,432	58,350	85,992
Miscellaneous	11,339	-	246,260	257,599
Net unrealized gains on investments	-	-	-	-
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>111,867</u>	<u>(111,867)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>180,359</u>	<u>102,100</u>	<u>305,129</u>	<u>587,588</u>
Expenses:				
Programs	156,803	-	-	156,803
Management and general	3,658	-	-	3,658
Fundraising	30,573	-	-	30,573
Net unrealized loss on investments	<u>15,967</u>	<u>-</u>	<u>97,331</u>	<u>113,298</u>
Total expenses	<u>207,001</u>	<u>-</u>	<u>97,331</u>	<u>304,332</u>
Increase (decrease) in net assets	(26,642)	102,100	207,798	283,256
Other changes in net assets:				
Transfer of earnings	10,339	17,662	(28,001)	-
Transfer of board designated endowment	(9,682)	9,682	-	-
Net assets, beginning of year	<u>447,735</u>	<u>393,499</u>	<u>1,809,004</u>	<u>2,650,238</u>
Net assets, end of year	\$ <u>421,750</u>	<u>522,943</u>	<u>1,988,801</u>	<u>2,933,494</u>

See accompanying notes to the financial statements.

2000

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and support:				
Contributions	\$ 51,611	169,151	311,426	532,188
Fundraising	-	66,278	-	66,278
Interest	8,427	13,274	51,375	73,076
Miscellaneous	-	-	-	-
Net unrealized gains on investments	7,520	-	72,681	80,201
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>100,724</u>	<u>(100,724)</u>	<u>-</u>	<u>-</u>
 Total revenue and support	 <u>168,282</u>	 <u>147,979</u>	 <u>435,482</u>	 <u>751,743</u>
Expenses:				
Programs	197,455	-	-	197,455
Management and general	2,488	-	-	2,488
Fundraising	14,641	-	-	14,641
Net unrealized loss on investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total expenses	 <u>214,584</u>	 <u>-</u>	 <u>-</u>	 <u>214,584</u>
 Increase (decrease) in net assets	 (46,302)	 147,979	 435,482	 537,159
Other changes in net assets:				
Transfer of earnings	(2,122)	37,714	(35,592)	-
Transfer of board designated endowment	30,099	-	(30,099)	-
 Net assets, beginning of year (as restated)	 <u>466,060</u>	 <u>207,806</u>	 <u>1,439,213</u>	 <u>2,113,079</u>
 Net assets, end of year	 \$ <u>447,735</u>	 <u>393,499</u>	 <u>1,809,004</u>	 <u>2,650,238</u>

CLARK STATE COMMUNITY COLLEGE FOUNDATION

Statements of Cash Flows
Years Ended June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Increase in net assets	\$ 283,256	537,159
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Net unrealized (gains) losses on investments	113,298	(80,201)
Effects of changes in operating assets and liabilities:		
Decrease (increase) in receivables	(58,661)	66,740
Increase in payable to Clark State Community College	<u>24,467</u>	<u>8,802</u>
Net cash provided by operating activities	<u>362,360</u>	<u>532,500</u>
Cash flows from investing activities:		
Purchase of investments	(295,950)	(752,009)
Principal redeemed	<u>10,747</u>	<u>150,551</u>
Net cash used for investing activities	<u>(285,203)</u>	<u>(601,458)</u>
Net increase (decrease) in cash	77,157	(68,958)
Cash, beginning of year	<u>139,580</u>	<u>208,538</u>
Cash, end of year	\$ <u>216,737</u>	<u>139,580</u>

See accompanying notes to the financial statements.

CLARK STATE COMMUNITY COLLEGE FOUNDATION

Notes to the Financial Statements

June 30, 2001 and 2000

1. Summary of Significant Accounting Policies:

The financial statements of Clark State Community College 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

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

Cash

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

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. Realized and unrealized gains and losses are reported in the statement of activities. Market value is determined by market quotations. Donated investments are recorded at the fair value at the time received.

CLARK STATE COMMUNITY COLLEGE FOUNDATION

Notes to the Financial Statements

June 30, 2001 and 2000

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.

2. Cash:

A summary of cash follows:

	<u>2001</u>	<u>2000</u>
Checking account, National City Bank	\$ 211,035	133,980
Savings account, National City Bank	<u>5,702</u>	<u>5,600</u>
	\$ <u>216,737</u>	<u>139,580</u>

Cash accounts at banks are insured by the FDIC for up to \$100,000. The National City account exceeds insured limits by \$120,492 for 2001 and \$39,753 for 2000.

3. Investments:

The following summarizes investment values at June 30:

	<u>2001</u>		<u>2000</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Bond fund:				
Unrestricted	\$ 45,579	43,078	43,616	40,597
Endowment	<u>755,662</u>	<u>739,040</u>	<u>630,921</u>	<u>607,907</u>
	<u>801,241</u>	<u>782,118</u>	<u>674,537</u>	<u>648,504</u>
Equity fund:				
Unrestricted	46,628	104,559	46,836	113,271
Endowment	<u>1,015,978</u>	<u>1,389,183</u>	<u>878,301</u>	<u>1,363,212</u>
	<u>1,062,606</u>	<u>1,493,742</u>	<u>925,137</u>	<u>1,476,483</u>
Certificates of Deposit	<u>344,868</u>	<u>344,868</u>	<u>323,836</u>	<u>323,836</u>
Total	\$ <u>2,208,715</u>	<u>2,620,728</u>	<u>1,248,973</u>	<u>2,448,823</u>

CLARK STATE COMMUNITY COLLEGE FOUNDATION

Notes to the Financial Statements

June 30, 2001 and 2000

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>2001</u>	<u>2000</u>
	\$ <u>3,245</u>	<u>8,172</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>2001</u>	<u>2000</u>
Grosh Memorial Fund, income to accumulate, to be used in conjunction with Faculty Endowment Fund.	\$ 1,551	1,640
Richard O. Brinkman Memorial Fund, income to accumulate, to be used in conjunction with Faculty Endowment Fund.	12,528	12,928
Faculty/Staff Development Fund, to be used for faculty and staff development projects.	45,120	47,931
Scholarship Fund, to be used for general scholarships.	52,902	70,116
Child Care Scholarship Fund, to be used for daycare of students' children.	(582)	1,418
Special projects, with no designated purpose at this time.	7,378	7,837
The Discretionary Fund, to be used to provide emergency student loans up to \$300.	2,281	2,423

CLARK STATE COMMUNITY COLLEGE FOUNDATION

Notes to the Financial Statements

June 30, 2001 and 2000

Board designated funds (continued):

College Endowment Fund, use is undecided at this time	<u>297,327</u>	<u>295,270</u>
Board designated net assets	<u>418,507</u>	<u>439,563</u>
Total unrestricted net assets	\$ <u>421,750</u>	<u>447,735</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>2001</u>	<u>2000</u>
Elliot Scholarship Fund	\$ 15,415	17,198
Hilda Seaman Fund	10,804	9,742
Florence Hilbert Fund	12,192	11,714
South High Alumni Fund	75	661
Mildred Penwell Fund	1,786	272
Ilean Moore Nursing Scholarship Fund	4,616	5,657
Kerber Fund	894	859
Dan Pond Fund	1,514	1,585
Arthur Wall Fund - Police	2,830	2,452
Zonta Fund	6,964	5,113
Lions Club Fund	88	85
Vernay Laboratories Fund	-	1,898
Faculty Fund	5,500	4,737
Remerowski Fund	4,720	4,536
Connie Murphy Fund	3,093	1,971
Rotary Fund	4,216	4,117
Accounting Fund	15,878	9,766
Hickes Nursing Scholarship Fund	4,202	3,639
Union Club Fund	4,614	4,203
Frontiers Fund	2,547	4,427
Monte Zinn Fund	-	(2,202)
RN Scholarship Fund	8,346	6,053
Building Industries Assoc. Fund	763	432
Mildred Hartman Miller Fund	16,299	15,473
Aetna Fund	1,060	2,000
National City Bank	-	(1,000)
Frazier Court Reporting Fund	2,702	3,101
Gala Fund	3,430	3,285
Circle of Friends Fund	171,828	89,420

CLARK STATE COMMUNITY COLLEGE FOUNDATION

Notes to the Financial Statements

June 30, 2001 and 2000

Temporarily Restricted (continued):

Armed Forces Community Elec. Assoc. Fund	844	814
Wenrick Fund	10,864	10,439
Ann Field Fund	1,625	808
PGA Fund	6,242	5,998
Theatre Fund	11,472	6,053
SAABSE Fund	271	261
Child Care Fund	4,267	2,503
Buroker Scholarship Fund	1,000	2,745
Performing Arts Center Brick Fund	838	638
Kuss Memorial Fund	47,061	48,491
Blood, Sweat & Tears Benefit Concert Fund	-	(8,750)
Calland Fund	697	180
Gerald Furay Fund	502	109
Barbara Kuss Memorial Fund	4,293	933
Technology Fund	6,610	3,408
Brinkman Memorial Fund	55	55
Performing Arts Center Fund	9802	3,870
R & M Scholarship	781	-
Barbara Davis	70	-
Society of Manufacturing Engineers	<u>1,615</u>	<u>-</u>
Sub-total	<u>415,285</u>	<u>289,749</u>

Dorothy Mumma Tuition Loan Fund

Loan fund established through the Springfield Foundation 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>107,658</u>	<u>103,750</u>
Total temporarily restricted net assets	\$ <u>522,943</u>	<u>393,499</u>

Permanently Restricted:

The following represents endowed funds at June 30:

	<u>2001</u>	<u>2000</u>
Mildred Hartman Miller Endowment Fund, income to be used for unspecified scholarships.	\$ 341,118	344,708

CLARK STATE COMMUNITY COLLEGE FOUNDATION

Notes to the Financial Statements

June 30, 2001 and 2000

Permanently Restricted (continued):

Dan Pond Memorial Endowment Fund, income to be used for scholar- ships to agriculture students.	15,309	16,027
Hilda Seaman Endowment Fund, income to be used to assist visually impaired students.	27,122	28,396
Arthur Wall, Jr. Memorial Endowment Fund, income to be used for scholarships to law enforcement students.	11,366	11,800
Ilean Moore Endowment Fund, income to be used for scholarships to nursing students.	67,806	70,987
Faculty Endowment Fund, income to be used for scholarships according to faculty approved criteria.	39,452	40,671
Frontier's Endowment Fund, income to be used for scholarships to minority students.	40,417	41,924
Elliot Endowment Fund, income to be used for unspecified scholarships.	165,658	118,976
Hickes Endowment Fund, income to be used for scholarships to nursing students.	13,701	14,345
Morris Endowment Fund, income to be used for scholarships to accounting students.	272,057	284,920
Performing Arts Center Endowment Fund, income to be used for operation of the Performing Arts Center.	177,380	97,371
Technology Endowment Fund, income to be used to support Clark State Community College technology.	221,825	94,128
Child Care Endowment Fund, income to be used for student's children to attend Clark State Community College's Early Childhood Education Center.	52,256	54,724

CLARK STATE COMMUNITY COLLEGE FOUNDATION

Notes to the Financial Statements

June 30, 2001 and 2000

Permanently Restricted (continued):

Calland Endowment Fund, income is to be used to fund the Alice E. McKinley Scholarship for second year students.	20,745	10,681
Gerald Furay Endowment Fund, income is to be used for scholarships at the discretion of Foundation Board of Directors.	11,593	12,142
Turner Endowment Fund, use of income undetermined at this time.	388,675	463,309
Barbara Kuss Endowment Fund, income is to be used to support operations of the Performing Arts Center.	99,294	103,894
Barbara Davis, income to be used to fund the Barbara A. Davis Scholarship for health technologies	9,559	-
Buroker, income to be used to assist GRADS Students in pursuing an education at Clark State Community College	<u>13,468</u>	<u>-</u>
Total permanently restricted net assets	\$ <u>1,988,801</u>	<u>1,809,004</u>

5. Restatement:

Beginning net assets were restated for the year ending June 30, 2000 as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Restricted</u>	<u>Total</u>
Beginning net assets per prior financial statement	\$ 858,678	231,227	1,023,174	2,113,709
Restatement	4,908	(23,421)	18,513	-
Reclass Turner Endowment	<u>(397,526)</u>	<u>-</u>	<u>397,526</u>	<u>-</u>
Beginning net assets as restated	\$ <u>466,060</u>	<u>207,806</u>	<u>1,439,213</u>	<u>2,113,079</u>

The above were restatements between sub-accounts. The restatements did not amend current increase (decrease) in net assets or total net assets in the current or prior year. Turner endowment restricted at death of donor.

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 Statement Performed in
Accordance with *Government Auditing Standards*

To the Board of Directors 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 years ended June 30, 2001 and 2000, and have issued our report thereon dated September 7, 2001. We conducted our audits in accordance with auditing standards generally accepted in the United States 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 statement 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 statement 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 statement 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.

This report is intended solely for the information and use of the Finance/Investment (audit) committee, management, others within the organization and Auditor of State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.
Springfield, Ohio
September 7, 2001



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.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 13, 2001**