

**CLARK STATE COMMUNITY COLLEGE  
FOUNDATION**

**Financial Statements**

**June 30, 2005 and 2004**

**with**

**Independent Auditors' Report**





**Auditor of State  
Betty Montgomery**

Board of Directors  
Clark State Community College Foundation  
Springfield, Ohio

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, 2004 through June 30, 2005. 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

November 17, 2005

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**CLARK STATE COMMUNITY COLLEGE FOUNDATION**

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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 component unit of Clark State Community College, (a nonprofit organization) as of June 30, 2005 and 2004, 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, 2005 and 2004, and the changes in its net assets and its cash flows 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 23, 2005 on our consideration of Clark State Community College Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 considered on assessing the results of our audit.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
September 23, 2005

**CLARK STATE COMMUNITY COLLEGE FOUNDATION**

Statements of Financial Position

June 30, 2005 and 2004

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	<u>Assets</u>	
	<u>2005</u>	<u>2004</u>
Cash	\$ 172,386	83,890
Investments	6,598,679	6,094,776
Accounts receivable, Clark State Community College	18,439	54,345
Pledges receivable, net of discount of \$1,507,933 and allowance of \$57,989 in 2005	3,599,220	5,840
Student loans receivable, net of allowance of \$38,216 in 2005 and \$41,215 in 2004	46,344	41,973
Prepaid expenses	<u>199</u>	<u>-</u>
Total assets	\$ <u>10,435,267</u>	<u>6,280,824</u>
	<u>Liabilities and Net Assets</u>	
Accounts payable	\$ 17,580	858
Payable to Clark State Community College	<u>-</u>	<u>11,835</u>
Total liabilities	<u>17,580</u>	<u>12,693</u>
Net assets:		
Unrestricted	796,828	478,992
Temporarily restricted	3,882,058	521,182
Permanently restricted	<u>5,738,801</u>	<u>5,267,957</u>
Total net assets	<u>10,417,687</u>	<u>6,268,131</u>
Total liabilities and net assets	\$ <u>10,435,267</u>	<u>6,280,824</u>

See accompanying notes to the financial statements.

**CLARK STATE COMMUNITY COLLEGE FOUNDATION**

Statement of Activities

For the Year Ended June 30, 2005

	2005			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue and support:				
Campaign contributions	\$ 434,045	3,378,653	19,021	3,831,719
Foundation contributions	-	98,211	64,929	163,140
Interest	19,937	136,837	22,772	179,546
Net unrealized gain on investments	39,751	4,036	311,543	355,330
Miscellaneous	4,272	20,626	12,916	37,814
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>237,824</u>	<u>(237,824)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>735,829</u>	<u>3,400,539</u>	<u>431,181</u>	<u>4,567,549</u>
Expenses:				
Programs	390,818	-	-	390,818
Management and general	<u>27,175</u>	<u>-</u>	<u>-</u>	<u>27,175</u>
Total expenses	<u>417,993</u>	<u>-</u>	<u>-</u>	<u>417,993</u>
Change in net assets	317,836	3,400,539	431,181	4,149,556
Other changes in net assets:				
Transfer of earnings	-	(39,663)	39,663	-
Net assets, beginning of year	<u>478,992</u>	<u>521,182</u>	<u>5,267,957</u>	<u>6,268,131</u>
Net assets, end of year	\$ <u><u>796,828</u></u>	<u><u>3,882,058</u></u>	<u><u>5,738,801</u></u>	<u><u>10,417,687</u></u>

See accompanying notes to the financial statements.



**CLARK STATE COMMUNITY COLLEGE FOUNDATION**

Statement of Activities

For the Year Ended June 30, 2004

	2004			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue and support:				
Campaign contributions	\$ 52,614	43,508	7,877	103,999
Foundation contributions	-	64,466	300,990	365,456
Interest	6,770	139,228	24,343	170,341
Net unrealized gain (loss) on investments	83,680	(3,894)	409,472	489,258
Miscellaneous	1,930	14,883	52,550	69,363
Net assets released from restrictions:				
Satisfaction of program restrictions	165,656	(165,656)	-	-
Total revenue and support	310,650	92,535	795,232	1,198,417
Expenses:				
Programs	264,855	-	-	264,855
Management and general	19,059	-	-	19,059
Total expenses	283,914	-	-	283,914
Change in net assets	26,736	92,535	795,232	914,503
Other changes in net assets:				
Transfer of earnings	136,500	(51,966)	(84,534)	-
Net assets, beginning of year	315,756	480,613	4,557,259	5,353,628
Net assets, end of year	\$ 478,992	521,182	5,267,957	6,268,131

See accompanying notes to the financial statements.

**CLARK STATE COMMUNITY COLLEGE FOUNDATION**

Statements of Cash Flows

For the Years Ended June 30, 2005 and 2004

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	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,149,556	914,503
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized gain on investments	(355,330)	(489,258)
Effects of changes in operating assets and liabilities:		
Decrease (increase) in receivables	(3,561,845)	199,670
Increase in prepaid expenses	(199)	-
Increase (decrease) in accounts payable	16,722	(7,472)
Decrease in payable to Clark State Community College	<u>(11,835)</u>	<u>(108,799)</u>
Net cash provided by operating activities	<u>237,069</u>	<u>508,644</u>
Cash flows from investing activities:		
Purchase of investments	<u>(148,573)</u>	<u>(563,768)</u>
Net increase (decrease) in cash	88,496	(55,124)
Cash, beginning of year	<u>83,890</u>	<u>139,014</u>
Cash, end of year	\$ <u><u>172,386</u></u>	<u><u>83,890</u></u>

See accompanying notes to the financial statements.

# CLARK STATE COMMUNITY COLLEGE FOUNDATION

## Notes to the Financial Statements

June 30, 2005 and 2004

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### 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 and is considered to be a component unit of Clark State Community College, aids and promotes 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's financial statements are prepared in accordance with 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.

#### In-Kind Income

The facilities occupied by the Foundation are provided by Clark State Community College. In addition, the College assists the Foundation in fund raising, gift processing and accounting. The value of the office space and services provided constitutes additional in-kind income to the Foundation that is not recorded.

# CLARK STATE COMMUNITY COLLEGE FOUNDATION

## Notes to the Financial Statements

June 30, 2005 and 2004

### Investments

Investments are stated at fair value and represent shares with The Common Fund, a not-for-profit organization. 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.

### 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>2005</u>	<u>2004</u>
Checking account, National City Bank	\$166,556	78,080
Savings account, National City Bank	<u>5,830</u>	<u>5,810</u>
	<u>\$172,386</u>	<u>83,890</u>

The bank balance for 2005 and 2004 was \$176,023 and \$231,063 respectively, which are insured by the FDIC up to \$100,000. The Foundation has also entered into an agreement whereby National City Bank will indemnify against loss up to the sum of \$500,000.

## 3. Investments:

The following summarizes investment values at June 30:

	<u>2005</u>		<u>2004</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Bond fund:				
Unrestricted	\$ 92,005	102,427	84,557	90,446
Endowment	<u>1,146,875</u>	<u>1,294,887</u>	<u>1,055,634</u>	<u>1,144,366</u>
	<u>1,238,880</u>	<u>1,397,314</u>	<u>1,140,191</u>	<u>1,234,812</u>

**CLARK STATE COMMUNITY COLLEGE FOUNDATION**

Notes to the Financial Statements

June 30, 2005 and 2004

	<u>2005</u>		<u>2004</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Equity fund:				
Unrestricted	153,111	245,645	154,270	227,741
Endowment	<u>2,239,037</u>	<u>3,105,428</u>	<u>2,250,749</u>	<u>2,878,160</u>
	<u>2,392,148</u>	<u>3,351,073</u>	<u>2,405,019</u>	<u>3,105,901</u>
High quality bond fund:				
Endowment	<u>1,442,610</u>	<u>1,473,853</u>	<u>1,380,688</u>	<u>1,378,454</u>
Certificates of Deposit	<u>376,439</u>	<u>376,439</u>	<u>375,609</u>	<u>375,609</u>
Total	<u>\$ 5,450,077</u>	<u>6,598,679</u>	<u>5,301,507</u>	<u>6,094,776</u>

Endowment fees are netted against interest income in the Statement of Activities. Total fees for 2005 and 2004 are \$24,199 and \$17,763, respectively. Certificates of deposit are held at two financial institutions in Clark and Champaign County. The Foundation has also entered into an agreement whereby National City Bank will indemnify against loss up to the sum of \$500,000.

4. Net Assets:

The following summarizes the purposes and restrictions of the funds:

Unrestricted net assets:

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>2005</u>	<u>2004</u>
\$	<u>2,954</u>	<u>2,954</u>

Board designated:

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>2005</u>	<u>2004</u>
Grosh Memorial Fund, income to accumulate, to be used in conjunction with Faculty Endowment Fund.	\$ 2,535	2,207
Richard O. Brinkman Memorial Fund, income to accumulate, to be used in conjunction with Faculty Endowment Fund.	20,254	17,629

**CLARK STATE COMMUNITY COLLEGE FOUNDATION**

Notes to the Financial Statements

June 30, 2005 and 2004

Board designated (continued):

	<u>2005</u>	<u>2004</u>
Faculty/Staff Development Fund, to be used for faculty and staff development projects.	\$ 59,149	55,089
Scholarship Fund, to be used for general scholarships.	48,542	51,027
Special projects, with no designated purpose at this time.	4,952	5,945
Champion City, to be used to provide scholarships to 50 seventh grade students each year within the Springfield City School District.	-	165
Major gifts, to be used for initial expenses of major gifts campaign.	309,740	5,955
The Discretionary Fund, to be used to provide emergency student loans up to \$150.	3,240	2,909
The Foundation Loan Fund, to be used for student loans up to \$1,000.	89,997	-
Presidents Discretionary to be for expenses at the discretion of the college president.	1,028	-
College Endowment Fund, use is undecided at this time	<u>254,437</u>	<u>335,112</u>
Board designated net assets	<u>793,874</u>	<u>476,038</u>
Total unrestricted net assets	\$ <u>796,828</u>	<u>478,992</u>

Temporarily restricted net assets:

Scholarship fund:

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

	<u>2005</u>	<u>2004</u>
Accounting Fund	\$ 19,884	24,145
Aetna Fund	100	97
Ann Field Fund	4,698	3,843

**CLARK STATE COMMUNITY COLLEGE FOUNDATION**

## Notes to the Financial Statements

June 30, 2005 and 2004

Temporarily restricted net assets (continued):

	<u>2005</u>	<u>2004</u>
Armed Forces Community Elec. Assoc. Fund	1,176	1,583
Arthur Wall Fund - Police	1,432	1,546
Barbara Davis	279	449
Barbara Kuss Memorial Fund	14,963	12,442
Board of Realtors	-	10
Brinkman Memorial Fund	63	61
Building - Major Gifts Fund	4,074,471	-
Building Industries Assoc. Fund	1,438	1,506
Buroker Scholarship Fund	1,562	2,243
Calland Fund	2,315	1,867
Champion City - Major Gifts Fund	269,401	-
Child Care Fund	9,823	8,512
Circle of Friends Fund	64,834	52,884
Community Computing	1,048	1,008
Connie Murphy Fund	3,566	3,434
CSCC - PAC	177,681	111,721
Dan Pond Fund	1,198	1,420
Elliot Scholarship Fund	8,316	11,855
Faculty Fund	2,363	4,791
Florence Hilbert Fund	13,531	13,509
Frazier Court Reporting Fund	2,219	2,391
Frontiers Fund	3,144	3,284
Gala Fund	2,943	2,832
Gerald Furay Fund	1,650	708
Harry W and Margaret Moore Foundation	28	133
Health - Major Gifts Fund	12,872	-
Hickes Nursing Scholarship Fund	4,796	4,843
Hilda Seaman Fund	12,014	11,615
Ilean Moore Nursing Scholarship Fund	2,891	4,594
Independent Insurance	723	1,671
Kuss Memorial Fund	52	22,392
Les Femmes Des Charities	6	6
Linda Sanders Memorial Fund	1,862	2,288
Lions Club Fund	485	97
Maxine Harris Fund	28	-
Mildred Hartman Miller Fund	10,821	13,357

**CLARK STATE COMMUNITY COLLEGE FOUNDATION**

Notes to the Financial Statements

June 30, 2005 and 2004

Temporarily restricted net assets (continued):

	<u>2005</u>	<u>2004</u>
Mildred Penwell Fund	1,848	36
Minority Business Scholarship	502	-
National City Bank	1,753	1,191
Neita Lloyd Scholarship Fund	1,001	-
PAC - Major Gifts Fund	518,142	-
Pavlatos	1,999	1,000
Performing Arts Center Brick Fund	633	686
Performing Arts Center Fund	15,667	39,453
R & M Scholarship	398	383
Remerowski Fund	82	2,431
RN Scholarship Fund	8,879	9,715
Robe	38	-
Rotary Fund	6,303	4,775
SAABSE Fund	313	301
Society of Manufacturing Engineers	658	633
South High Alumni Fund	86	84
Technology Fund	49,372	37,313
Theatre Fund	12,995	12,698
Union Club Fund	3,962	4,792
Vernay Scholarship Fund	200	193
Wenrick Fund	917	1,271
Zonta Fund	7,735	7,197
Less: Allowance for Uncollectible Pledges	(57,989)	-
Less: Discount for Net Present Value of Pledges	<u>(1,507,933)</u>	<u>-</u>
Subtotal	<u>3,798,237</u>	<u>453,289</u>

Dorothy Mumma Tuition Loan Fund:

This 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 Foundation 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>83,822</u>	<u>67,893</u>
Total temporarily restricted net assets	<u>\$3,882,058</u>	<u>521,182</u>



**CLARK STATE COMMUNITY COLLEGE FOUNDATION**

Notes to the Financial Statements

June 30, 2005 and 2004

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Permanently restricted net assets:

The following represents endowed funds at June 30:

	<u>2005</u>	<u>2004</u>
Mildred Hartman Miller Endowment Fund, income to be used for unspecified scholarships.	\$ 387,436	360,792
Dan Pond Memorial Endowment Fund, income to be used for scholarships to agriculture students.	17,239	16,144
Hilda Seaman Endowment Fund, income to be used to assist visually impaired students.	30,541	28,602
Arthur Wall, Jr. Memorial Endowment Fund, income to be used for scholarships to law enforcement students.	13,044	12,216
Ilean Moore Endowment Fund, income to be used for scholarships to nursing students.	76,356	71,504
Faculty Endowment Fund, income to be used for scholarships according to faculty approved criteria.	46,437	41,936
Frontier's Endowment Fund, income to be used for scholarships to minority students.	45,593	42,699
Elliot Endowment Fund, income to be used for unspecified scholarships.	296,794	257,887
Hickes Endowment Fund, income to be used for scholarships to nursing students.	15,445	14,464
Morris Endowment Fund, income to be used for scholarships to accounting students.	315,985	295,920
Performing Arts Center Endowment Fund, income to be used for operation of the Performing Arts Center.	713,778	576,516
Technology Endowment Fund, income to be used to support Clark State Community College technology.	593,947	555,162
Child Care Endowment Fund, income to be used for student's children to attend Clark State Community College's Early Childhood Education Center.	60,532	56,688

**CLARK STATE COMMUNITY COLLEGE FOUNDATION**

Notes to the Financial Statements

June 30, 2005 and 2004

Permanently restricted net assets (continued):

	<u>2005</u>	<u>2004</u>
Calland Endowment Fund, income is to be used to fund the Alice E. McKinley Scholarship for second year students.	39,910	32,527
Gerald Furay Endowment Fund, income is to be used for scholarships at the discretion of Foundation Board of Directors.	17,745	16,118
Turner Endowment Fund, use of income undetermined at this time.	1,491,720	1,374,225
Barbara Kuss Endowment Fund, income is to be used to support operations of the Performing Arts Center.	115,757	108,407
Barbara Davis, income to be used to fund the Barbara A. Davis Scholarship for health technologies.	11,198	10,487
Buroker, income to be used to assist GRADS Students in pursuing an education at Clark State Community College.	40,208	36,155
Peggy Wenrick Endowment Fund, income to be used for scholarships to graduates of Tecumseh High School.	11,655	10,915
Harry W. and Margaret Moore Foundation, income is to be used for scholarships at the discretion of Foundation Board of Directors.	12,475	11,684
PACC-CSCC Transferred Endowment, income to be used for maintenance of Performing Arts Center.	1,296,172	1,266,732
Pavlatos Endowment, income to be used for scholarships to students majoring in registered nursing.	60,927	56,958
Maxine Harris Endowment, income to be used for scholarships for students in financial need.	11,122	-
Robe Endowment, income to be used fund the Paul and Nancy Robe Scholarship for students majoring in Agriculture/horticulture.	<u>16,785</u>	<u>13,219</u>
Total permanently restricted net assets	\$ <u>5,738,801</u>	<u>5,267,957</u>

**CLARK STATE COMMUNITY COLLEGE FOUNDATION**

Notes to the Financial Statements

June 30, 2005 and 2004

5. Other changes in net assets:

	2005			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
	Transfer of earnings:			
Reallocation of funds	\$ -	(39,663)	39,663	-

The transfer from the temporarily restricted to permanently restricted is to allocate monies raised by the Circle of Friends that must be used for the endowment funds.

	2004			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
	Transfer of earnings:			
Reallocation of funds	\$ 136,500	500	(137,000)	-
Circle of Friends allocation	-	(43,412)	43,412	-
Initial endowment	-	(9,054)	9,054	-
 Total	 \$ 136,500	 (51,966)	 (84,534)	 -

The transfer from the unrestricted to the permanently restricted is a result of a technology endowment that must be matched by the Foundation. The Foundation uses unrestricted monies to match the grant which is appropriately accounted for in the endowment funds. The transfer from the permanently restricted to the temporary restricted is for interest earned on endowment funds for which provisions are made that the earnings may be used for specific purposes. The transfer from the temporarily restricted to permanently restricted is to allocate monies raised by the Circle of Friends that must be used for the endowment funds.

**CLARK STATE COMMUNITY COLLEGE FOUNDATION**

Notes to the Financial Statements

June 30, 2005 and 2004

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6. Pledges:

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges are recorded after discounting at 6% to the present value of future cash flows.

Unconditional promises are expected to be realized in the following periods:

In one year or less	\$	746,520
Between one and five years		1,663,599
Longer than five years		<u>2,755,023</u>
Less: discount of \$1,507,933 and allowance of \$57,989		<u>(1,565,922)</u>
	\$	<u>3,599,220</u>

Since no historical data exists to be used in setting up an allowance for doubtful accounts, the Foundation has estimated that approximately five percent of the amount pledged will be uncollectible. This amount may change once historical data becomes available in the years to come.



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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 Directors  
Clark State Community College Foundation  
Springfield, Ohio

We have audited the financial statements of Clark State Community College Foundation (a nonprofit organization) as of and for the year ended June 30, 2005, and have issued our report thereon dated September 23, 2005. 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 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 caused by error or fraud 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.

Compliance and Other Matters

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 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 or other matters that are required to be reported under *Government Auditing Standards*.

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 23, 2005





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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  
DECEMBER 1, 2005**