

**CLARK STATE COMMUNITY
COLLEGE FOUNDATION**
Springfield, Ohio

FINANCIAL STATEMENTS
June 30, 2007 and 2006



Mary Taylor, CPA
Auditor of State

Board of Directors
Clark State Community College Foundation
570 Leffels Lane
Springfield, Ohio 45502-4795

We have reviewed the *Report of Independent Auditors* of the Clark State Community College Foundation, Clark County, prepared by Crowe Chizek and Company LLC, for the audit period July 1, 2006 through June 30, 2007. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 9, 2007

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CLARK STATE COMMUNITY COLLEGE FOUNDATION
Springfield, Ohio

FINANCIAL STATEMENTS
June 30, 2007 and 2006

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REPORT OF INDEPENDENT AUDITORS

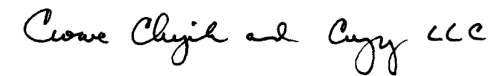
Board of Directors
Clark State Community College Foundation
Springfield, Ohio

We have audited the accompanying statements of financial position of Clark State Community College Foundation (Foundation) as of June 30, 2007 and 2006 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 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 audit provides 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, 2007 and 2006 and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2007, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting, 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 in assessing results of our audit.


Crowe Chizek and Company LLC

Columbus, Ohio
October 15, 2007

CLARK STATE COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Cash	\$ 87,469	\$ 28,074
Investments	11,506,695	8,325,699
Accounts receivable, Clark State Community College	181,502	14,226
Pledges receivable	3,522,811	3,780,386
Student loans receivable, net allowance of \$54,902 in 2007 and \$57,001 in 2006	<u>97,472</u>	<u>75,924</u>
	<u>\$ 15,395,949</u>	<u>\$ 12,224,309</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Wages payable	\$ 1,731	\$ --
Accounts payable	<u>1,872</u>	<u>1,944</u>
	<u>3,603</u>	<u>1,944</u>
 Net assets		
Unrestricted	802,075	710,814
Temporarily restricted	7,491,660	6,261,200
Permanently restricted	<u>7,098,611</u>	<u>5,250,351</u>
	<u>15,392,346</u>	<u>12,222,365</u>
	<u>\$ 15,395,949</u>	<u>\$ 12,224,309</u>

See accompanying notes to financial statements.

CLARK STATE COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
Year ended June 30, 2007 with comparative 2006 totals

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u> <u>2007</u>	<u>Total</u> <u>2006</u>
Revenues and other support					
Campaign contributions	\$ 59,517	\$ 265,659	\$ 31,473	\$ 356,649	\$ 1,530,388
Foundation contributions	7,171	56,125	1,816,787	1,880,083	201,756
Interest	19,077	355,032	--	374,109	208,629
Net realized and unrealized gains (losses) on investments	54,846	853,906	--	908,752	209,249
Miscellaneous	95,851	44,220	--	140,071	44,168
Net assets released from restrictions	<u>344,482</u>	<u>(344,482)</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Total revenues and other support	 580,944	 1,230,460	 1,848,260	 3,659,664	 2,194,190
Expenses					
Programs	390,277	--	--	390,277	356,740
Management and general	<u>99,406</u>	<u>--</u>	<u>--</u>	<u>99,406</u>	<u>32,772</u>
 Total expenses	 <u>489,683</u>	 <u>--</u>	 <u>--</u>	 <u>489,683</u>	 <u>389,512</u>
 Change in net assets	 91,261	 1,230,460	 1,848,260	 3,169,981	 1,804,678
Net assets at beginning of year	<u>710,814</u>	<u>6,261,200</u>	<u>5,250,351</u>	<u>12,222,365</u>	<u>10,417,687</u>
Net assets at end of year	<u>\$ 802,075</u>	<u>\$7,491,660</u>	<u>\$7,098,611</u>	<u>\$ 15,392,346</u>	<u>\$12,222,365</u>

See accompanying notes to financial statements.

CLARK STATE COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
Year ended June 30, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2006</u>
Revenues and other support				
Campaign contributions	\$ 156,957	\$ 816,158	\$ 557,273	\$ 1,530,388
Foundation contributions	2,149	114,602	85,005	201,756
Interest	22,159	186,470	--	208,629
Net realized and unrealized gains (losses) on investments	35,377	173,872	--	209,249
Miscellaneous	--	44,168	--	44,168
Net assets released from restrictions	<u>86,856</u>	<u>(86,856)</u>	<u>--</u>	<u>--</u>
 Total revenues and other support	 303,498	 1,248,414	 642,278	 2,194,190
Expenses				
Programs	356,740	--	--	356,740
Management and general	<u>32,772</u>	<u>--</u>	<u>--</u>	<u>32,772</u>
 Total expenses	 <u>389,512</u>	 <u>--</u>	 <u>--</u>	 <u>389,512</u>
 Change in net assets	 (86,014)	 1,248,414	 642,278	 1,804,678
Net assets at beginning of year	<u>796,828</u>	<u>5,012,786</u>	<u>4,608,073</u>	<u>10,417,687</u>
Net assets at end of year	<u>\$ 710,814</u>	<u>\$ 6,261,200</u>	<u>\$ 5,250,351</u>	<u>\$ 12,222,365</u>

See accompanying notes to financial statements.

CLARK STATE COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
Years ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities		
Change in net assets	\$ 3,169,981	\$ 1,804,678
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized and unrealized (gains) losses on investments	(908,752)	(209,249)
Contributions restricted for long-term purposes	(1,848,260)	(642,278)
Effects of changes in operating assets and liabilities		
Receivables	68,751	(206,533)
Prepaid expenses	-	199
Wages payable	1,731	-
Accounts payable	<u>(72)</u>	<u>(15,636)</u>
Net cash from operating activities	483,379	731,181
Cash flows from investing activities		
Purchase of investments	<u>(2,272,244)</u>	<u>(1,517,771)</u>
Net cash from investing activities	<u>(2,272,244)</u>	(1,517,771)
Cash flows from financing activities		
Contributions restricted for long-term purposes	<u>1,848,260</u>	<u>642,278</u>
Net cash from financing activities	<u>1,848,260</u>	<u>642,278</u>
Change in cash and cash equivalents	59,395	(144,312)
Cash and cash equivalents at beginning of year	<u>28,074</u>	<u>172,386</u>
Cash and cash equivalents at end of year	<u>\$ 87,469</u>	<u>\$ 28,074</u>

See accompanying notes to financial statements.

CLARK STATE COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 and 2006

NOTE 1 - NATURE OF BUSINESS AND 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. The Foundation's purpose is to assist students attending Clark State Community College. Administrative services are provided by Clark State Community College.

Basis of Presentation: The Foundation's financial statements are prepared in accordance with the 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 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.

Investments: Investments are carried at fair value in accordance with Statement of Financial Accounting Standards (SFAS) No. 124, "*Accounting for Certain Investments Held by Not-For-Profit Organizations.*" Investments include shares with The Common Fund, a not-for-profit organization, and Federated Government Obligation, Tax Managed Select Treasuries (Fund #637). 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 market value at the time received.

Net Assets: Unrestricted Net Assets represent funds, which can be used by the Foundation for any purpose authorized by the Board of Directors.

Temporarily Restricted Net Assets represent funds, which are restricted for a specific purpose determined by the donor. A donor-imposed restriction permits the Foundation to expend the donated assets as specified and is satisfied either by the passage of time or by actions of the Foundation. The Foundation maintains separate balances in its accounting records to account for the amounts available for such restricted purposes.

Permanently Restricted Net Assets represent contributions in which the donor has stipulated, as a condition of the gift, that the principal be maintained intact and only the earnings of the fund be expended as the donor has specified.

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CLARK STATE COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 and 2006

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTE 2 - CASH

A summary of cash follows:

	<u>2007</u>	<u>2006</u>
Checking account, National City Bank	\$ 81,574	\$ 22,217
Savings account, National City Bank	<u>5,895</u>	<u>5,857</u>
	<u>\$ 87,469</u>	<u>\$ 28,074</u>

The bank balance for 2007 and 2006 was \$87,627 and \$156,499 respectively, which are insured by the FDIC up to \$100,000. The Foundation has also entered into an agreement whereby a bank will indemnify against loss up to the sum of \$500,000.

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CLARK STATE COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 and 2006

NOTE 3 - INVESTMENTS

The following summarizes investment values at June 30:

	<u>2007</u>		<u>2006</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Bond fund				
Unrestricted	\$ 114,705	\$ 124,556	\$ 109,083	\$ 116,608
Endowment	<u>1,695,959</u>	<u>1,838,261</u>	<u>1,581,555</u>	<u>1,690,323</u>
	1,810,664	1,962,817	1,690,638	1,806,931
Equity fund				
Unrestricted	145,510	315,462	142,364	259,797
Endowment	<u>2,721,641</u>	<u>4,668,786</u>	<u>2,600,484</u>	<u>3,778,904</u>
	2,867,151	4,984,248	2,742,848	4,038,701
High quality bond fund				
Endowment	1,594,460	1,554,036	1,512,460	1,458,164
Money market account	2,750,850	2,788,625	633,445	633,445
Certificates of deposit	<u>216,969</u>	<u>216,969</u>	<u>388,458</u>	<u>388,458</u>
	<u>\$ 9,240,094</u>	<u>\$ 11,506,695</u>	<u>\$ 6,967,849</u>	<u>\$ 8,325,699</u>

Investment fees are netted against interest income in the Statement of Activities. Total fees for 2007 and 2006 are \$33,043 and \$19,976, respectively. The Foundation has entered into agreements whereby banks will indemnify against loss up to \$3,000,000.

NOTE 4 - PLEDGES RECEIVABLE

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 5.04 - 5.19% to the present value of future cash flows.

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

	<u>2007</u>	<u>2006</u>
One year or less	\$ 580,861	\$ 527,025
Between one and five years	1,838,825	2,118,119
Longer than five years	<u>2,125,000</u>	<u>2,250,000</u>
	4,544,686	4,895,144
Discounts and allowance	<u>(1,021,875)</u>	<u>(1,114,758)</u>
Net pledges	<u>\$ 3,522,811</u>	<u>\$ 3,780,386</u>

(Continued)

CLARK STATE COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 and 2006

NOTE 5 - NET ASSETS

Net assets at June 30 consists of the following:

	<u>2007</u>	<u>2006</u>
<u>Unrestricted</u>		
Board designated for scholarships, student loans and special projects	\$ 789,693	\$ 709,508
Unrestricted	<u>12,382</u>	<u>1,306</u>
Total	<u>\$ 802,075</u>	<u>\$ 710,814</u>
<u>Temporarily restricted</u>		
Major gifts - facilities	\$ 4,325,654	\$ 3,461,925
Scholarships and other	3,027,014	2,686,575
Dorothy Mumma Tuition Loan Fund	<u>138,992</u>	<u>112,700</u>
Total	<u>\$ 7,491,660</u>	<u>\$6,261,200</u>
<u>Permanently restricted</u>		
Scholarships	\$ 2,180,094	\$ 1,775,551
Performing Arts Center	2,046,486	2,191,921
Technology	502,694	628,445
Early Childhood Education Center	--	64,239
Champion City Scholarships	<u>2,369,337</u>	<u>590,195</u>
Total	<u>\$ 7,098,611</u>	<u>\$ 5,250,351</u>

Note 6 - Distributions to Clark State Community College

During the years ended June 30, 2007 and 2006, the Foundation distributed \$91,657 and \$131,533, respectively, to the College for both restricted and unrestricted purposes.

SUPPLEMENTARY INFORMATION



Crowe Chizek and Company LLC
Member Horwath International

REPORT OF INDEPENDENT AUDITORS 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, 2007, and have issued our report thereon dated October 15, 2007. 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 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 Clark State Community College Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clark State Community College Foundation's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

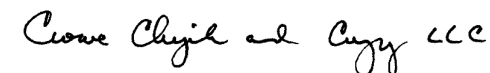
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies 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 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*.

We noted certain matters that we reported to management of Clark State Community College in a separate letter dated October 15, 2007.

This report is intended solely for the information and use of management, audit committee, others within the entity, federal awarding agencies and State of Ohio Office of the Auditor and is not intended to be and should not be used by anyone other than these specified parties.


Crowe Chizek and Company LLC

Columbus, Ohio
October 15, 2007



Mary Taylor, CPA
Auditor of State

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 29, 2007**