Sinclair Community College Foundation

Financial Statements for the Years Ended December 31, 2008 and 2007, Supplemental Schedule for the Year Ended December 31, 2008, and Independent Auditors' Reports

Mary Taylor, CPA
Auditor of State

Board of Trustees
Sinclair Community College Foundation
444 West Third Street
Dayton, Ohio 45402

We have reviewed the *Independent Auditors' Report* of the Sinclair Community College Foundation, Montgomery County, prepared by Deloitte & Touche LLP, for the audit period January 1, 2008 through December 31, 2008. 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 Sinclair Community College Foundation is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 10, 2009

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SINCLAIR COMMUNITY COLLEGE FOUNDATION

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Sinclair Community College Foundation and
Mary Taylor, Auditor of the State of Ohio:

We have audited the accompanying statements of financial position of Sinclair Community College Foundation (the "Foundation") as of December 31, 2008 and 2007, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the management of the Foundation. 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 consideration of internal control over financial reporting as a basis for designing procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, such financial statements present fairly, in all material respects, the financial position of the Foundation, as of December 31, 2008 and 2007, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The financial statements include investments that are not listed on national exchanges or for which quoted market prices are not available. These investments include collective trust funds and limited partnerships. Such investments for the Foundation totaled $10,132,198 and $10,507,789, or 47% and 35% of total assets as of December 31, 2008 and 2007, respectively. Where a publicly-listed price is not available, management uses alternative sources of information, including the funds' audited financial statements.

As discussed in Note 2 to the financial statements, the Foundation adopted Statement of Financial Accounting Standards No. 157 as of January 1, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2009, on our consideration of the 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 in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Foundation, taken as a whole. The accompanying schedule of functional expenses is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This schedule is the responsibility of the management of the Foundation. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP

June 8, 2009

SINCLAIR COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

	2008	2007
ASSETS		
CASH AND CASH EQUIVALENTS	$ 506,014	$ 244,670
INVESTMENTS:		
Fixed income security funds	6,627,710	8,957,935
Equity funds	12,858,353	18,378,502
Venture capital funds	445,882	286,680
Total investments	19,931,945	27,623,117
ACCOUNTS RECEIVABLE	13,441	10,550
PLEDGES RECEIVABLE	1,327,859	1,919,901
TOTAL	$ 21,779,259	$ 29,798,238
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Payable to Sinclair Community College	$ 232,127	$ 11,787
Other payables		60,000
Total liabilities	232,127	71,787
NET ASSETS:		
Unrestricted	11,922,486	18,584,737
Temporarily restricted	4,798,338	6,448,322
Permanently restricted	4,826,308	4,693,392
Total net assets	21,547,132	29,726,451
TOTAL	$ 21,779,259	$ 29,798,238

See notes to financial statements.

SINCLAIR COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008				2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT:								
Contributions	$ 273,547	$ 823,381	$ 132,916	$ 1,229,844	$ 408,425	$ 1,180,088	$ 129,994	$ 1,718,507
Interest/dividends — net of fund expenses of $43,470 in 2008 and $43,335 in 2007	(6,647)	(1,163)		(7,810)	25,450	5,191	210	30,851
Net realized/unrealized gains (losses) on investments	(5,832,567)	(931,047)		(6,763,614)	1,399,518	421,648	11,989	1,833,155
Net assets released from restrictions	1,541,155	(1,541,155)			1,236,378	(1,236,378)		
Total revenue and support	(4,024,512)	(1,649,984)	132,916	(5,541,580)	3,069,771	370,549	142,193	3,582,513
EXPENSES:								
Scholarships	845,889			845,889	616,729			616,729
Project support	1,633,440			1,633,440	1,234,807			1,234,807
Operating expenses	158,410			158,410	224,403			224,403
Total expenses	2,637,739			2,637,739	2,075,939	-	-	2,075,939
CHANGE IN NET ASSETS	(6,662,251)	(1,649,984)	132,916	(8,179,319)	993,832	370,549	142,193	1,506,574
NET ASSETS — Beginning of year	18,584,737	6,448,322	4,693,392	29,726,451	17,590,905	6,077,773	4,551,199	28,219,877
NET ASSETS — End of year	$11,922,486	$ 4,798,338	$ 4,826,308	$21,547,132	$18,584,737	$ 6,448,322	$ 4,693,392	$29,726,451

See notes to financial statements.

SINCLAIR COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (8,179,319)	$ 1,506,574
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Receipt of donated stock		(125,125)
Increase in accounts receivable	(2,891)	(10,550)
Decrease in pledges receivable	592,042	121,537
Increase (Decrease) in payable to Sinclair Community College	220,340	(57,297)
Decrease in other payables	(60,000)	(218,220)
Contributions and investment income restricted for long-term investment	(132,916)	(142,193)
Net realized/unrealized losses (gains) on investments	6,763,614	(1,833,155)
Net cash used in operating activities	(799,130)	(758,429)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	5,069,427	348,678
Purchase of investments	(4,141,869)	(325,294)
Net cash provided by investing activities	927,558	23,384
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for endowments	132,916	129,994
Investment income restricted for endowments		12,199
Net cash provided by financing activities	132,916	142,193
NET CHANGE IN CASH AND CASH EQUIVALENTS	261,344	(592,852)
CASH AND CASH EQUIVALENTS — Beginning of year	244,670	837,522
CASH AND CASH EQUIVALENTS — End of year	$ 506,014	$ 244,670
NONCASH TRANSACTIONS — Receipt of donated stock	$	$ 125,125

See notes to financial statements.

1. ORGANIZATION

The Sinclair Community College Foundation (the "Foundation") was established in 1969 for the sole purpose of providing scholarships and other financial assistance to Sinclair Community College (the "College") and its students. Revenue sources for the Foundation are private gifts from individuals, businesses and other foundations and investment income. The Foundation is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The Foundation classifies net assets, revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. These classifications are permanently restricted, temporarily restricted, and unrestricted net assets.

Method of Accounting — The Foundation follows the accounting procedures as set forth in the AICPA Audit and Accounting Guide for *Not-for-Profit Organizations.*

Cash and Cash Equivalents — The Foundation considers all highly liquid investments with maturity of three months or less at the time of purchase, including money market accounts which are recorded at fair value, to be cash equivalents.

Investments — Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. Collective trust funds are stated at fair value and are based on the funds' net asset value as supplied by the fund manager. Other investments are recorded at cost or, if acquired by gift, at fair value at the date of the gift.

The Foundation utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities could result in the subsequent values of investment securities differing materially from the amounts reported in the statement of financial position.

Realized and unrealized gains and losses on all investments are recorded in the period earned. Such amounts are recorded as changes in unrestricted net assets to the extent there are no donor-imposed restrictions limiting the use of these gains and losses. If donor-imposed restrictions exist, such amounts are reported as changes to temporarily restricted or permanently restricted net assets, depending upon the nature of the restriction.

Fair Value Measurements — Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," ("SFAS 157") establishes a fair value hierarchy that prioritizes the inputs used to measure the fair value of assets into three levels of input and expands disclosures regarding the fair value measurements. SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The SFAS 157 disclosures that follow do not relate to what is known as investment risk, such as the risk of a permanent decline in the fair value of an investment, or an investment's custodial risk. The SFAS 157 levels of input described below relate solely to the process of determining the fair value of each of the investments held by the Foundation on the report date. The three levels of input are as follows:

Level 1 Inputs are unadjusted quoted prices in active markets for identical assets, and the Foundation has the ability to access that information on December 31.

Level 2 Inputs are other than Level 1 quoted prices that are observable either directly or indirectly.

Level 3 Valuations based on unobservable inputs such as when observable inputs are not available or inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Investments that are reported in the fund managers' audited financial statements as Level 1 are classified as Level 2 here, and correspondingly the fund managers' reported Level 2 investments are classified as Level 3 here. For example, the Foundation's Level 2 investments consist of shares owned in two mutual funds, an S&P 500 large cap index fund and S&P 400 mid cap index fund. The fund manager directly priced the individual stocks held by these funds on December 31, 2008 and classified those stocks as Level 1 investments in its audit report. However, because the funds' shares are not actively traded and the Foundation relied on information obtained from the fund manager, including its audited financial statements, to determine fair values, the Foundation has classified its investments in the funds as Level 2.

The Foundation's Level 3 investments include several types. A representative example is that of shares owned in a bond mutual fund. The fund manager indirectly priced the individual bonds held by the fund on December 31, 2008 by comparing them to bonds with similar characteristics that were actively traded on that date and classified its bonds as Level 2 investments in its audit report. Because the Foundation then relied on information from the fund manager as described above to determine fair value, the Foundation has classified its investment in the fund as Level 3.

The reported fair values of the Foundation's investments in money market funds, fixed income security funds, and equity funds (Note 3) are based on inputs from the various fund managers and are presented by caption and by level in the table below.

	Level 1	Level 2	Level 3	Total
Money market funds	$	$	$ 379,745	$ 379,745
Fixed income security funds			6,627,710	6,627,710
Equity funds		9,733,610	3,124,743	12,858,353
Total	$	$ 9,733,610	$ 10,132,198	$ 19,865,808

The following table provides a rollforward of amounts for the year ended December 31, 2008 for investments classified as Level 3.

	Money Market Funds	Fixed Income Security Funds	Equity Funds	Total
Beginning balance	$185,921	$8,957,935	$ 2,334,066	$11,477,922
Total gains or losses (realized/ unrealized)		415,572	(1,378,111)	(962,539)
Purchases/Redemptions	193,824	(2,745,797)	2,571,786	19,813
Transfers in or out of Level 3			(402,998)	(402,998)
Ending balance	$379,745	$6,627,710	$ 3,124,743	$10,132,198
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$	$ (331,521)	$(1,377,403)	$ (1,708,924)

Gains and losses (realized and unrealized) included in earnings for the period (above) are reported in net realized/unrealized gains (losses) on investments.

Contributions — Contributions are recognized and reported as revenue at fair value upon the earlier of the period in which a pledge becomes unconditional or the period in which the contribution is received. Contributions with donor-imposed restrictions are reported as temporarily or permanently restricted support, while contributions without donor-imposed restrictions are reported as unrestricted support.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the year. Actual results could differ from those estimates.

Reclassifications - Certain reclassifications have been made to 2007 footnote disclosures to conform to those used in 2008.

3. INVESTMENTS

Cost of investments at December 31, 2008 and 2007, are summarized as follows:

	2008	2007
Fixed income security funds	$ 4,635,937	$ 6,634,642
Equity funds	14,859,206	12,429,596
Venture capital funds	445,882	286,680
Total investments	$ 19,941,025	$ 19,350,918

The fixed income security and equity fund investments recorded net realized gains of $1,528,360 and $178,096 for the years ended December 31, 2008 and 2007, respectively. The venture capital fund investments recorded net realized losses of $10,693 and net realized gains of $20,432 for the years ended December 31, 2008 and 2007, respectively.

4. PLEDGES RECEIVABLE

As the collection of pledges is estimated to be probable, the Foundation recorded a receivable of $1,327,859, representing the present value of those pledges receivable at December 31, 2008. The fair value of pledges due within one year approximates its carrying value due to the short-term nature of the receivable. The remaining receivables have been discounted to reflect the present value of expected future cash flows using a discount rate of 5%.

Pledges receivable at December 31, 2008 and 2007, respectively, are summarized as follows:

	2008			
	Less than 1 Year	1–5 Years	More than 5 Years	Total
Pledges receivable	$ 521,683	$879,521	$ -	$ 1,401,204
Unamortized discount		(50,623)		(50,623)
Present value of pledges receivable	521,683	828,898		1,350,581
Allowance for doubtful accounts	(10,434)	(12,288)		(22,722)
Pledges receivable — net	$ 511,249	$816,610	$ -	$ 1,327,859

	2007			
	Less than 1 Year	1–5 Years	More than 5 Years	Total
Pledges receivable	$ 1,043,144	$972,507	$ -	$ 2,015,651
Unamortized discount		(60,930)		(60,930)
Present value of pledges receivable	1,043,144	911,577		1,954,721
Allowance for doubtful accounts	(20,864)	(13,956)		(34,820)
Pledges receivable — net	$ 1,022,280	$897,621	$ -	$ 1,919,901

5. NET ASSETS

Unrestricted Net Assets — Unrestricted net assets represent funds which can be used by the Foundation for any purpose authorized by the Board of Trustees.

Temporarily Restricted Net Assets — Temporarily restricted net assets represent funds which are restricted for a specific purpose determined by the donor. The Foundation maintains separate balances in its accounting records to account for the amounts available for such restricted purposes. Net assets released from donor restrictions as of December 31, 2008 and 2007, were as follows:

	2008	2007
Scholarships	$ 369,552	$ 196,075
Project support	1,127,019	982,128
Operating fee	44,584	58,175
	$ 1,541,155	$ 1,236,378

Permanently Restricted Net Assets — Permanently restricted net assets are restricted to investment in perpetuity as endowment funds. The endowment funds represent contributions for which the donor has stipulated, as a condition of the gift, that the principal be maintained intact and only the investment income (or portions thereof) of the funds be expended as the donor has specified, principally for scholarships and student financial aid. Such investment income is recognized as income in temporarily restricted net assets or unrestricted net assets in accordance with donor stipulations when it is earned.

At December 31, 2008 and 2007, respectively, the following summarizes the programs supported by net assets of the Foundation:

	2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Scholarships	$	$ 1,636,501	$ 3,131,474	$ 4,767,975
Project support		3,161,837	1,311,625	4,473,462
Undesignated	11,922,486		383,209	12,305,695
	$ 11,922,486	$ 4,798,338	$ 4,826,308	$ 21,547,132

	2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Scholarships	$ -	$ 2,805,340	$ 2,995,400	$ 5,800,740
Project support		3,642,981	1,290,863	4,933,844
Undesignated	18,584,737		407,130	18,991,867
	$ 18,584,737	$ 6,448,321	$ 4,693,393	$ 29,726,451

Interpretation of Relevant Law - The Board of Trustees of the Foundation has interpreted the State of Ohio's Uniform Management of Institutional Funds Act (UMIFA) 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 UMIFA. In accordance with UMIFA, 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 Foundation 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 Foundation; and
(7) The investment policies of the Foundation.

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 UMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $452,131 as of December 31, 2008. These deficiencies resulted from unfavorable downturns in the domestic and international equity markets that occurred during the year. There were no such deficiencies as of December 31, 2007.

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). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the rate of inflation (the Consumer Price Index) by five (5) percentage points over time on an annualized basis while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 8 percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives — To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy — The Foundation has a policy of appropriating for distribution each year up to 5 percent of its endowment fund's three-year moving average fair value through the calendar year-end preceding the year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 3 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts.

6. TRANSACTIONS WITH SINCLAIR COMMUNITY COLLEGE

The Foundation processes payments through and maintains accounting and donor records on the computer systems of the College. The College allocates the cost of accounting, donor database management, and computer system support to the Foundation. The College also allocates certain donor development staff costs to the Foundation. Such allocations amounted to $101,900 and $82,300 for the years ended December 31, 2008 and 2007, respectively.

7. DONATED EQUIPMENT AND MATERIALS

The Foundation receives donations of equipment and materials which are passed on to the College for various educational uses. For the years ended December 31, 2008 and 2007, these donations were valued at $176,600 and $19,000, respectively, and were reported as unrestricted contribution revenue and project support expense.

8. FUND-RAISING COSTS

Operating expenses include fund-raising costs of $26,500 and $111,167 for the years ended December 31, 2008 and 2007, respectively.

9. LIFE SETTLEMENT CONTRACTS

As a result of donor bequests, the Foundation is the owner and beneficiary of two life insurance policies with a combined carrying value of $215,000 and a combined face value of $1,070,000. The carrying values are reported in pledges receivable. Both policies are paid in full. The Foundation does not expect to receive any proceeds from these policies within the next five years.

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SUPPLEMENTAL SCHEDULE

SINCLAIR COMMUNITY COLLEGE FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2008

	Program Services	Management and General	Fundraising	Total
SCHOLARSHIPS AND PROJECT SUPPORT	$ 2,479,329	$	$	$ 2,479,329
SALARIES AND RELATED EXPENSES:				
Salaries and wages		74,881		74,881
Pension plan contributions		10,483		10,483
Other employment benefits		10,653		10,653
Payroll taxes		1,049		1,049
PRINTING AND PUBLICATIONS			11,995	11,995
ANNUAL AUDIT		18,507		18,507
MEMBERSHIPS		2,200		2,200
SUPPLIES			12,164	12,164
ACCOUNTING FEES		4,800		4,800
RECEPTIONS		1,312	1,635	2,947
STATE REGISTRATION FEES		200		200
SOFTWARE MAINTENANCE		7,690		7,690
POSTAGE			722	722
CHECKING ACCOUNT FEES		119		119
TOTAL FUNCTIONAL EXPENSES	$ 2,479,329	$ 131,894	$ 26,516	$ 2,637,739

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INDEPENDENT AUDITORS' 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
Sinclair Community College Foundation and
Mary Taylor, Auditor of the State of Ohio:

We have audited the financial statements of Sinclair Community College Foundation (the "Foundation"), as of and for the year ended December 31, 2008, and have issued our report thereon dated June 8, 2009, which report includes an explanatory paragraph relating to the Foundation's investments whose fair values have been estimated by management in the absence of readily determinable fair values. 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 *Governmental 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 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 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 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 Board of Trustees, management, and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

June 8, 2009

Mary Taylor, CPA
Auditor of State

SINCLAIR COMMUNITY COLLEGE FOUNDATION

MONTGOMERY 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
AUGUST 4, 2009

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