

**Stark State College Foundation**  
**(A Component Unit of Stark State College)**

**Financial Statements**  
**June 30, 2017**





# Dave Yost • Auditor of State

Board of Directors  
Stark State College Foundation  
6200 Frank Ave NW  
North Canton, OH 44720

We have reviewed the *Independent Auditor's Report* of the Stark State College Foundation, Stark County, prepared by Ciuni & Panichi, Inc., for the audit period July 1, 2016 through June 30, 2017. 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 Stark State College Foundation is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

January 8, 2018

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# Stark State College Foundation

## Financial Statements

June 30, 2017

### Table of Contents

	<u>Page</u>
Independent Auditor's Report .....	1
Financial Statements:	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements .....	6
Supplementary Information:	
Details of Restricted Net Assets .....	17
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	27

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## Independent Auditor's Report

To the Board of Directors  
Stark State College Foundation

### Report on the Financial Statements

We have audited the accompanying financial statements of Stark State College Foundation (the "Foundation") (a nonprofit corporation), a component unit of Stark State College, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors  
Stark State College Foundation

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Details of Restricted Net Assets beginning on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, on our consideration of the Foundation's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

*Ciuni + Panichi, Inc.*

Cleveland, Ohio  
December 29, 2017



**STARK STATE COLLEGE FOUNDATION**

Statement of Financial Position

June 30, 2017

**ASSETS**

Cash and cash equivalents	\$	627,014
Unconditional promises to give:		
Unrestricted		1,608
Restricted to student services		901
Restricted to scholarships		1,619
Restricted to endowments		93,430
Amounts due from College		58,820
Investments held for others		287,987
Prepaid expenses		3,597
Endowment assets:		
Cash and cash equivalents		157,139
Long-term investments		<u>5,712,314</u>
TOTAL ASSETS	\$	<u>6,944,429</u>

**LIABILITIES**

Accounts payable	\$	12,413
Investments held for others		<u>287,987</u>
TOTAL LIABILITIES		<u>300,400</u>

**NET ASSETS**

Unrestricted		96,099
Temporarily restricted		1,589,649
Permanently restricted		<u>4,958,281</u>
TOTAL NET ASSETS		<u>6,644,029</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>6,944,429</u>

The accompanying notes are an integral part of these financial statements

**STARK STATE COLLEGE FOUNDATION**

Statement of Activities  
Year Ended June 30, 2017

**UNRESTRICTED NET ASSETS**

Support:

Individuals	\$ 7,607
Corporations & foundations	6,402
In-kind donations	5,026
Investment income	5,971
Investment gain	5,288
Net assets released from restrictions:	
Restrictions satisfied by payments	<u>1,445,181</u>

TOTAL UNRESTRICTED SUPPORT, REVENUES, AND GAINS 1,475,475

Expenses:

Supporting college activities:	
Scholarships and loans for students	363,888
Instructional equipment & supplies	825,385
Barberton campus	5,972
Aesthetics	352
Professional development	7,464
Student services	243,829

Operations:

Management and general	<u>36,657</u>
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TOTAL UNRESTRICTED EXPENSES 1,483,547

DECREASE IN UNRESTRICTED NET ASSETS (8,072)

**TEMPORARILY RESTRICTED NET ASSETS**

Support for instructional departments	41,043
Support for scholarships and loans for students	465,925
Support for student services	5,532
Support for aesthetics	595
Investment income	74,094
Investment gains	456,326

Net assets released from restrictions:

Restrictions satisfied by payments	<u>(1,445,181)</u>
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DECREASE IN TEMPORARILY RESTRICTED NET ASSETS (401,666)

**PERMANENTLY RESTRICTED NET ASSETS**

Endowment fund support	472,291
Investment income	123
Investment gains	879

INCREASE IN PERMANENTLY RESTRICTED NET ASSETS 473,293

**INCREASE IN NET ASSETS 63,555**

**NET ASSETS AT BEGINNING OF YEAR 6,580,474**

**NET ASSETS AT END OF YEAR \$ 6,644,029**

The accompanying notes are an integral part of these financial statements

**STARK STATE COLLEGE FOUNDATION**

Statement of Cash Flows  
Year Ended June 30, 2017

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$	63,555
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gain on investments		(462,493)
Contributions restricted for long-term investments		(472,291)
Discounting of unconditional promises to give		(15,697)
Changes in operating assets and liabilities:		
Unrestricted unconditional promises to give		(407)
Restricted unconditional promises to give		1,336,807
Related party receivable		(58,820)
Prepaid expenses		(238)
Accounts payable		(137,633)
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>252,783</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of long-term investments		(1,850,502)
Proceeds from sale of long-term investments		1,415,459
Purchase of assets restricted for endowment		(42,458)
NET CASH USED IN INVESTING ACTIVITIES		<u>(477,501)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Collection of endowment fund support		<u>496,746</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>496,746</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS		272,028
BEGINNING CASH AND CASH EQUIVALENTS		<u>354,986</u>
ENDING CASH AND CASH EQUIVALENTS	\$	<u><u>627,014</u></u>

The accompanying notes are an integral part of these financial statements

# STARK STATE COLLEGE FOUNDATION

Notes to Financial Statements

June 30, 2017

## 1. DESCRIPTION OF THE REPORTING ENTITY

The Stark State College Foundation (the “Foundation”) is organized and operated exclusively for educational, scientific or charitable purposes by conducting and supporting activities which benefit or carry out the purpose of the Stark State College (the “College”). The College is a state institution of higher learning, authorized and existing under Chapter 3357 of the Ohio Revised Code. The Foundation is a not-for-profit organization established in accordance with Section 501(c)(3) of the Internal Revenue Code and is empowered to exercise all rights and powers conferred by the laws of Ohio upon nonprofit corporations. The Foundation is a component unit of the College.

The Foundation’s primary sources of revenue are endowment income and public support through donations from individuals, corporations, foundations, and trusts located primarily in northeast Ohio.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

### Financial Statement Presentation

The Foundation follows authoritative guidance issued by the Financial Accounting Standards Board (FASB) which established the Accounting Standards Codification (ASC) as the single source of authoritative accounting principles generally accepted in the United States of America.

ASC 958: Not-for-Profit Entities requires that the amounts for each of three classes of net assets: unrestricted, temporarily restricted and permanently restricted, be presented in an aggregated Statement of Financial Position and that the amounts of changes in each of those classes of net assets be presented in a Statement of Activities. This topic requires that resources be classified into three net asset categories according to the presence or absence of donor-imposed restrictions. A description of the categories is as follows:

*Unrestricted Net Assets* – Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains and losses that are not changes in temporarily or permanently restricted net assets.

*Temporarily Restricted Net Assets* – Net assets which include gifts and pledges receivable for which donor-imposed restrictions have not been met and for which the ultimate purpose of the proceeds are not permanently restricted.

*Permanently Restricted Net Assets* – Net assets that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity. The income from these assets is included in the investment income of unrestricted and restricted funds, as appropriate, in the accompanying Statement of Activities.

When a donor restriction expires, that is, when a stipulated time restriction expires or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

## STARK STATE COLLEGE FOUNDATION

Notes to Financial Statements

June 30, 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Contributions

The Foundation reports contributions in accordance with ASC 958. ASC 958 requires that unconditional promises to give, with payments due in future periods, be recorded as receivables and support in either unrestricted, temporarily restricted, or permanently restricted net assets as appropriate in the period received at their net present value. The accumulated discount of net present value of the pledge is accounted for as contribution income of the related class of net assets. Conditional promises to give are not recorded as support until the condition upon which they depend has been substantially met by the Foundation.

#### Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

#### Investments

Investments in marketable securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets. Investment fees were \$37,948 during the year ended June 30, 2017.

Investments of unrestricted, temporarily restricted and permanently restricted funds are pooled for making investment transactions and are carried at market value. Interest and dividend income, as well as realized and unrealized gains and losses, are allocated to unrestricted, temporarily restricted and permanently restricted funds.

#### Promises to Give

Contributions received, including unconditional promises to give, are recognized as revenue by net asset class when the donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances (fair value). Promises designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. Conditional promises are recorded when donor stipulations are substantially met.

Management analyzes the promises to give on a continuing basis to determine collectability and to assess the need for an allowance for doubtful accounts. Pledges are written off when collection is considered doubtful. No allowance was established as of June 30, 2017.

The Foundation requires an initial minimum balance of \$5,000 to establish an endowed scholarship fund. The policy allows a period, generally not to exceed 60 months, for the accumulation of contributions and interest to meet the minimum \$5,000 requirement.

## STARK STATE COLLEGE FOUNDATION

Notes to Financial Statements

June 30, 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Actual results may differ from those estimates.

#### Concentrations of Credit Risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash and cash equivalents, investments, and promises to give.

The Foundation has significant investments in equity and debt securities and is, therefore, subject to concentrations of credit risk. Investments are managed by investment advisors who are overseen by a committee. Though the market value of investments is subject to fluctuations on a year-to-year basis, the committee believes that the investment policy is prudent for the long-term welfare of the Foundation.

Credit risk with respect to promises to give is limited due to the number and credit worthiness of the foundations, corporations, governmental units, and individuals who comprise the contributor base.

At various times during the year ended June 30, 2017, the Foundation's cash in bank balances may have exceeded the federal insured limits.

#### Donated Administrative Expenses

Certain administrative functions of the Foundation are performed by administrative employees of the College at no charge to the Foundation. The value of these services is not recognized in these financial statements.

#### In-Kind Donations

In-kind donations, when received are reflected in the accompanying Statement of Activities at their estimated fair value as of the date of receipt. Such in-kind support is offset by like amounts in instructional equipment and supplies in the accompanying Statement of Activities.

#### Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through December 29, 2017, the date the financial statements were available to be issued.

## STARK STATE COLLEGE FOUNDATION

### Notes to Financial Statements

June 30, 2017

### 3. INVESTMENTS

Investments consist of the following at June 30, 2017:

	<u>Foundation</u>	<u>Held for College</u>
Equity	\$ 3,341,134	\$ 175,968
Fixed income	1,825,262	77,460
Money market funds	545,918	34,559
	<u>\$ 5,712,314</u>	<u>\$ 287,987</u>

### 4. FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments – The Foundation adopted applicable sections of the ASC 820: *Fair Value Measurements and Disclosures* for financial assets and financial liabilities. In accordance with ASC 820, fair value is defined as the price the Foundation would receive to sell an asset or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. ASC 820 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs may be used in determining the value of the Foundation's investments. The inputs are summarized in the three broad levels below:

Level 1 – quoted prices in active markets for identical assets and liabilities

Level 2 – other significant observable inputs (including quoted prices for similar assets and liabilities, interest rates, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Foundation's own assumptions in determining the fair value of the assets and liabilities)

The input or methodology used for valuing securities is not necessarily an indication of the risk associated with maintaining those investments.

## STARK STATE COLLEGE FOUNDATION

Notes to Financial Statements

June 30, 2017

### 4. FAIR VALUE MEASUREMENTS (continued)

The following is a summary of the inputs used as of June 30, 2017, in valuing the Foundation's investments carried at fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity:				
Corporate stock	\$ 3,341,134	\$ -	\$ -	\$ 3,341,134
Fixed income:				
Corporate notes	-	996,365	-	996,365
Mutual funds	804,844	-	-	804,844
U.S. agencies	-	24,053	-	24,053
Money market funds	<u>545,918</u>	<u>-</u>	<u>-</u>	<u>545,918</u>
	<u>\$ 4,691,896</u>	<u>\$ 1,020,418</u>	<u>\$ -</u>	<u>\$ 5,712,314</u>

The following is a summary of the inputs used as of June 30, 2017, in valuing the Foundation's investments held on behalf of others carried at fair value.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity:				
Corporate stock	\$ 175,968	\$ -	\$ -	\$ 175,968
Fixed income:				
Corporate notes	-	63,674	-	63,674
Mutual funds	12,250	-	-	12,250
U.S. agencies	-	1,536	-	1,536
Money market funds	<u>34,559</u>	<u>-</u>	<u>-</u>	<u>34,559</u>
	<u>\$ 222,777</u>	<u>\$ 65,210</u>	<u>\$ -</u>	<u>\$ 287,987</u>

The corporate notes and U.S. agencies are valued using a "matrix-based" pricing model. This pricing model analyzes investments with similar attributes.

### 5. ENDOWMENT FUND

#### Net Asset Classification of Endowment Funds

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including board-designated funds, are classified and reported based on the existence or absence of donor-imposed restrictions.



**STARK STATE COLLEGE FOUNDATION**

Notes to Financial Statements

June 30, 2017

**5. ENDOWMENT FUND (continued)**

Net Asset Classification of Endowment Funds (continued)

The Board of Directors (the “Board”) of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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, (b) the original value of subsequent gifts, 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 standards of prudence by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purpose of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The investment policies of the Foundation

During the year ended June 30, 2017, the Foundation had the following endowment related activities:

	Donor- Restricted Endowment Funds		Board- Designated Endowment Funds		Total
	<u>                    </u>		<u>                    </u>		<u>                    </u>
Investment return:					
Interest and dividends	\$ 74,032	\$	738	\$	74,770
Net realized and unrealized gain	<u>455,430</u>		<u>5,288</u>		<u>460,718</u>
Total investment return	529,462		6,026		535,488
Contributions	496,746		1,051		497,797
Appropriation of endowment assets for expenditure	<u>(93,246)</u>		<u>(45)</u>		<u>(93,291)</u>
Total change in endowment	\$ <u>932,962</u>	\$	\$ <u>7,032</u>	\$	\$ <u>939,994</u>

**STARK STATE COLLEGE FOUNDATION**

Notes to Financial Statements

June 30, 2017

**5. ENDOWMENT FUND (continued)**

Net Asset Classification of Endowment Funds (continued)

Endowment net asset composition by type of fund as of June 30, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 948,723	\$ 4,864,851	\$ 5,813,574
Board-designated endowment fund	<u>55,879</u>	<u>-</u>	<u>-</u>	<u>55,879</u>
Total funds	\$ <u>55,879</u>	\$ <u>948,723</u>	\$ <u>4,864,851</u>	\$ <u>5,869,453</u>

Changes in endowment net assets for the year ended June 30, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 48,847	\$ 513,509	\$ 4,367,103	\$ 4,929,459
Investment return:				
Interest and dividends	738	73,909	123	74,770
Net realized and unrealized gain	<u>5,288</u>	<u>454,551</u>	<u>879</u>	<u>460,718</u>
Total investment return	6,026	528,460	1,002	535,488
Contributions	1,051	-	496,746	497,797
Appropriation of endowment assets for expenditure	(45)	(93,246)	-	(93,291)
Endowment net assets, end of year	\$ <u>55,879</u>	\$ <u>948,723</u>	\$ <u>4,864,851</u>	\$ <u>5,869,453</u>

Below is a reconciliation of permanently restricted net assets included in the endowment fund to total permanently restricted net assets:

Permanently restricted net assets within endowment fund	\$ 4,864,851
Permanently restricted net assets included in pledges receivable	<u>93,430</u>
Total permanently restricted net assets	\$ <u>4,958,281</u>

## STARK STATE COLLEGE FOUNDATION

Notes to Financial Statements

June 30, 2017

### 5. ENDOWMENT FUND (continued)

#### Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for the endowment fund. The policy goal for the Foundation's endowment investment portfolio is to provide a real total return that preserves the purchasing power of the endowment assets, while providing an income stream to support the Foundation's activities in support of the College. Assets for the investment pool include those assets of donor-restricted funds that the Foundation must hold in perpetuity, as well as board-designated funds. The Foundation engages an investment manager whose performance is measured against respective benchmarks. The endowment's real total return is sought from an investment strategy that provides an opportunity for superior total returns within acceptable levels of risk and volatility. The Foundation recognizes that risk (i.e., the uncertainty of future events), volatility (i.e., the potential for variability of asset values), and the potential loss in purchasing power due to inflation are present to some degree with all types of investment vehicles. While high levels of risk are to be avoided, the assumption of a moderate level of risk is warranted and encouraged in order to allow the investment portfolio the opportunity to achieve satisfactory results consistent with the objectives and character of the portfolio.

#### 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). In recognition of the difficulty in predicting the direction of the markets or future state of the economy, the Foundation's assets are diversified among asset classes, managers/funds, and investment styles. The Board has determined that 60% to 70% of the investment portfolio be allocated to equities, including international securities, and 30% to 40% be allocated to fixed income or cash investments. The Board also reviews the portfolio on a regular basis (at least annually) to consider the portfolio's asset mix relative to its target and the allowable range around the target.

The investment strategy for the Foundation's portfolio indicates the principal category of equity investments will be common stocks with primary emphasis on high quality companies that are financially sound and that have favorable prospects for earnings growth. The largest percentage of fixed income investments will be invested in portfolios of high quality (primarily A- to AAA- rated) corporate bonds, U.S. Treasury, and U.S. Government Agency securities. Investments in foreign securities may comprise 15% to 25% of equity investments based upon market conditions and investment manager discretion.

In addition to asset classes, the Foundation may be diversified between managers/funds and investment styles, as well. The purpose of this approach is to incorporate prudent diversification within the Foundation, enhancing expected returns, and/or reducing risk of the total portfolio. This structure will be reviewed by the investment committee on an ongoing basis as part of the overall monitoring process.

## STARK STATE COLLEGE FOUNDATION

Notes to Financial Statements

June 30, 2017

### 5. ENDOWMENT FUND (continued)

#### Spending Policy

The Foundation's spending policy is based on a total return approach in order to maintain stable cash flows over an extended period of time, to protect endowment funds against inflation, and to preserve the purchasing power of endowment funds by improving investment growth and management. The spending policy allows up to a maximum of 6% of the three-year average market value of a designated endowment fund to be distributed yearly. Spending may include net realized gains over that three-year period, and is offset by any previously designated spending amounts. All returns (gains, losses, and income-net of external and internal fees and previously designated spending amount) above 6% will be reinvested in the endowment fund's portfolio. The spending policy is closely monitored by the investment committee and recommendations for any changes are forwarded to the full Board for review and approval.

### 6. PROMISES TO GIVE

Unconditional promises to give are included in the financial statements as contributions to the appropriate net asset category. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimate of future cash flows using a discount rate of 2.3%. Conditional promises to give are not included as support until conditions are met.

Unconditional promises to give:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Gross receivables due within:			
Less than one year	\$ 1,568	\$ 58,498	\$ 60,066
One to five years	78	39,710	39,788
	<u>1,646</u>	<u>98,208</u>	<u>99,854</u>
Discount	<u>(38)</u>	<u>(2,258)</u>	<u>(2,296)</u>
Promises to give, net	<u>\$ 1,608</u>	<u>\$ 95,950</u>	<u>\$ 97,558</u>

Approximately 12% of the promises to give, net balance at June 30, 2017 was due from one donor. Two donors made contributions that approximated 48% of the total contributions revenue for the year ended June 30, 2017.

The Foundation has a conditional promise to give endowment funds from a donor based upon meeting certain matching requirements to the endowment. The total conditional promise was for \$420,000. During fiscal 2017, the Foundation recognized \$60,000 related to this promise resulting from meeting matching requirements. At June 30, 2017, the Foundation had \$200,000 remaining to be recognized under this conditional promise, provided that the matching requirements are met during the term of the promise.

## STARK STATE COLLEGE FOUNDATION

Notes to Financial Statements

June 30, 2017

### 7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted assets are those whose use by the Foundation has been limited by the donors to a specific time period or purpose. Temporarily restricted net assets are available for providing scholarships and loans to the College's students, providing professional development funds to the College staff, purchasing equipment for the benefit of the College, and student services.

The temporarily restricted net assets as of June 30, 2017 are restricted for the following purposes:

Scholarships and loans for students	\$ 1,345,727
Instructional equipment and supplies	91,398
Barberton campus	5,057
Aesthetics	897
Professional development	26,096
Student services	120,474
Total temporarily restricted net assets	<u>\$ 1,589,649</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restriction specified by donors as follows:

Scholarships and loans for students	\$ 363,888
Instructional equipment and supplies	823,676
Barberton campus	5,972
Aesthetics	352
Professional development	7,464
Student services	243,829
Total net assets released from donor restrictions	<u>\$ 1,445,181</u>

### 8. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are restricted to investment in perpetuity and the income from which is expendable for scholarships and loans to the College's students, providing professional development funds to the College staff, and student services.

The permanently restricted net assets as of June 30, 2017 are restricted for the following purposes:

Scholarships	\$ 4,813,518
Instructional equipment and supplies	20,123
Professional development	124,640
Total permanently restricted net assets	<u>\$ 4,958,281</u>

## **STARK STATE COLLEGE FOUNDATION**

Notes to Financial Statements

June 30, 2017

### **9. INCOME TAXES**

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore makes no provision for income taxes.

The Foundation accounts for income taxes in accordance with the “Income Taxes” topic of the ASC. Under income tax provisions are evaluated at least annually by management, the Foundation classifies interest and penalties related to income tax matters as income tax expense in the accompanying financial statements. As of June 30, 2017, the Foundation has not identified no uncertain income tax provisions and has incurred no amounts for income tax penalties and interest for the year then ended.

The Foundation files its Form 990 in the U.S. federal jurisdiction and an online registration as a charity with the office of the state’s attorney general for the State of Ohio.

### **10. RELATED ORGANIZATIONS**

A significant portion of the general and administrative expenses of the Foundation, including salaries, are paid by the College and are not included with the operations of the Foundation. The Foundation contributes funds to the College in the form of scholarships, instructional equipment, supplies and buildings. Foundation support to the College amounted to \$1,476,768 in fiscal year ended June 30, 2017.

The Foundation is investing \$287,987 on behalf of the College is reflected as “investments held for others.”

The Foundation has net receivable due from the College in the amount of \$58,820.

## STARK STATE COLLEGE FOUNDATION

### Details of Restricted Net Assets

June 30, 2017

#### TEMPORARILY RESTRICTED NET ASSETS

##### Scholarships and loans for students:

Abel, Larry Scholarship	\$	3,714
Akron Children's Hospital Scholarship		15,252
Albert, Leon & Helene Scholarship		3,566
Alliance Works Scholar Project		7,500
Allied Dental Health Professionals Scholarship		2,008
Alumni Class Scholarship		16,185
APC Title III Grant		28,028
Aultman Hospital Scholarship		7,888
Automotive Department Scholarship		2,127
Bobbitt, Robert T. and Hortense Scholarship		2,892
Bolgrin, Harrison Scholarship		778
Bridgestone/Firestone Automotive Scholarship		2,620
Cain, Alice PTA Scholarship		911
Cain Scholarship		53,314
Canton APICS Scholarship		5,322
Canton City School Scholarship		1,129
Career Development Scholarship		1,217
Charity School of Kendal Scholarship		4
Chevron ShaleNET Scholarship		217,623
Chiappini, Thomas & Deborah Scholarship		378
Chief Kerry Allan Ball Emergency Services Scholarship		1,174
Cleveland Auto Dealers Grant		18,750
Colaner, David & Pauline Scholarship		2,070
College Store Scholarship		600
Dean Brown Memorial Scholarship		1,054
DeHoff Family Scholarship		1,308
Deuble Foundation Scholarship		18,150
Diamond, J. Edward & Janet Scholarship		1,922
Diebold Foundation Scholarship		40,326
Disability Support Services Scholarship		805
Diversity Scholarship		15,400
Dominion East Ohio Gas Co. Scholarship		2,954
Doris Gibson Memorial Sch Endowment		79
Droney Scholarship		961
Dyer, Dan & Sara Scholarship		1,540
Efremoff, Tony & Sally Scholarship		4,002
Engineering Memorial Scholarship		5,527
Eva Marie Gallagher Scholarship		1,500
SSC Faculty Association Scholarship		548
Faculty Association Scholarship		9,987
Feaser, Paul & Susan Scholarship		3,476
Fisher, Janet C. Scholarship		6,127
Flowers, Albert & Edith Scholarship		7,907
Fortisure Foundation Scholarship		205,905
GAR Dual Enrollment Scholarship		27,625
Gibson, Jeromy Com Service Membership		2,197

# STARK STATE COLLEGE FOUNDATION

## Details of Restricted Net Assets

June 30, 2017

### TEMPORARILY RESTRICTED NET ASSETS (continued)

#### Scholarships and loans for students (continued):

Graco Engineering Scholarship	2,500
Gregory, Steve and Lisa Scholarship	256
Hallier, Robert & Celine Scholarship	572
Hamilton, Lynn Scholarship	1,547
Haas, Gene Foundation Project Fund	17,333
Hatton, Katy Scholarship	1,974
Haverlock Scholarship	1,163
Hays, Sharon B. Memorial Scholarship	1,371
Health Foundation Greater Massillon	5,000
Hess-Williams Ruth Health Scholarship	1,000
Hilscher-Clarke Electrical Engineering Scholarship	1,500
Hinderer, James & Polly Scholarship	2,008
Hinderer, Robert & Gladys Scholarship	1,462
Honorable Scott & Monice Rose Gwin Scholarship	55
Hoover Foundation Scholarship	14,486
Hoover, Herbert Scholarship	22,688
Huston, Doris Scholarship	3,102
Jivens, John & Carol Scholarship	1,218
John Hillery Memorial HVAC Sch	6,161
Jones, Para Scholarship	3,669
Judith Barnes Lancaster Scholarship	998
Kaboth Family Book Scholarship	622
Kallis, Mel Scholarship	6,602
Kids College Scholarship	1,648
Kimble Scholarship	22,844
Kirsch, Roland Mechanical Engineering Scholarship	1,000
Kismet Foundation Scholarship	11,883
Kozy Corsaut-Kay Hanna Hn MLT SC	186
Krugliak, Samuel Scholarship	2,620
Labowitz, Rebecca Scholarship	161
Lally Eberhart Scholarship	230
Lavery, William Scholarship	1,414
Lemon, George W. Scholarship	2,951
Linville, Wallace Family Endowment Scholarship	123
Loew Family Scholarship	2,626
Longo Sports Medicine Scholars	311
Luntz Scholarship	3,029
Maloney, Dr. James & Sally Scholarship	2,607
Management & Marketing Scholarship	532
Mann, Roger & Kathleen Scholarship	1,433
Marathon CDL Scholarship	22,500
Marathon Process Operations Scholarship	4,000
Martin II, Donnie Memorial Scholarship	281
McGrath, John Presidential Scholarship	18,135
McIntosh, Walter & Bess Scholarship	1,233
Miller, Ron Scholarship	742
Miller, Timothy Scholarship	4,130



## STARK STATE COLLEGE FOUNDATION

Details of Restricted Net Assets

June 30, 2017

### TEMPORARILY RESTRICTED NET ASSETS (continued)

#### Scholarships and loans for students (continued):

Morford, Betty Scholarship	2,485
Moyer, Art Endowment Scholars	539
Moyer, Art Project Scholarship	25
Myers, Selena Scholarship	430
Nexus Gas Transmissions Scholarship	37,375
Nursing and Respiratory Scholarship	178
Oil & Gas Scholarship	558
Physical Plant Department Endowment Sch	272
Picone, Joan M Scholarship	1,006
President's Scholars Award	431
R.C. Miller Scholarship	8,339
Rank, Ada & Helen Scholarship	11,048
Refrigerator Service Eng Soc HVAC	750
Remark, Christopher & Stacey Scholarship	600
Robbins, Anna M Memorial Scholarship	174
Robert S. McLain Enterprise Scholarship	36,460
Rohn Family Scholarship Endowment	78
Rolling Thunder Ohio 2 Vet Sch Endowment	328
Sabe, Ahmed Alliance High School Scholarship	10,000
Sabe, Ahmed Scholarship	4,977
Saums, Ned Scholarship	2,072
SCADA Automotive Scholarship	14,161
Schiltz Family Scholarship	9,552
Schiltz, William & Barbara Scholarship	20,558
Schonhoft/Presper Fin/Acctng Scholarship	60
Science Division Scholarship	1,927
Shankle, Laurie Scholarship	715
Shannon, Mary & Joseph Scholarship	2,318
Shreve, Zak & Ben Scholarship	1,084
Silk, Fred F. Scholarship	86,375
Smerglia, Larry Scholarship	2,060
Smith, Fred Scholarship	545
Smith, Marge Scholarship	6,705
SSC Trustees Scholarship	596
Stark Co. Dental Society Scholarship	2,000
Sterner, Jayne Scholarship	1,075
Stevens, Eddie & Madeline Scholarship	3,103
Stokes, Marie Scholarship	1,571
Strouble, Thomas Scholarship	100
Student Scholarship	34,876
Students of Promise Scholarship	28,985
Veterans Scholarship	1,823
Wackerly, Patricia & DeChellis, Gene	522
Walters, Jeffrey & Brenda Scholarship	3,265
West, Charles H. & Virginia C. Scholarship	2,264
Westerbeck, John Scholarship	1,481

**STARK STATE COLLEGE FOUNDATION**

Details of Restricted Net Assets

June 30, 2017

**TEMPORARILY RESTRICTED NET ASSETS (continued)**

Scholarships and loans for students (continued):

Wilkinson, James Memorial Culinary Scholarship	2,335
Wilkof, Edward & Ruth Scholarship	6,445
Wilkof, Ervin & Marie Scholarship	13,549
Wilkof, Ronald & Ruthanne Scholarship	11,502
William Lucas Accounting Scholarship Endowment	63
Williams, Charles Scholarship	947
Youngs Scholarship	6,784
Total scholarships and loans for students	1,345,727

Instructional equipment and supplies:

Electrical Engineering Equipment	5,750
HW Hoover Greenhouse Project	12,500
Instructional Resources	7,513
Paramedics/RN Lab Equipment	179
Timken Manufacturing Equipment grant	65,456
Total instructional equipment and supplies	91,398

Barberton campus:

Barberton campus equipment	5,057
Total Barberton campus	5,057

Aesthetics:

Aesthetics	64
Pathway to the future	833
Total aesthetics	897

Professional development:

Faculty and Staff Professional Development	25,399
Powers Professional Development	697
Total professional development	26,096

Student services:

Charles Schell Revolving Student	96,910
Culinary Arts	705
Great Lakes College Ready	5,707
Lally Eberhart Culinary Arts	400
Lampighter	3,502
LGBTS Global Student Club	2,257
SSC Alumni Networking Grant	1,000
SSC Veteran Emergency Fund	8,315
SSC Veterans Events	1,500
Score Services Corp of Ret Exec Pro	178
Total student services	120,474

Total temporarily restricted net assets	\$ 1,589,649
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## STARK STATE COLLEGE FOUNDATION

Details of Restricted Net Assets

June 30, 2017

### TEMPORARILY RESTRICTED NET ASSETS RELEASED FROM RESTRICTION

#### Scholarships and loans for students:

Abel, Larry Scholarship	\$	150
Akron Children's Hospital Scholarship		2,453
Albert, Leon & Helene Scholarship		813
Allied Dental Health Prof Scholarship		283
Alumni Class Scholarship		3,978
Aultman Hospital Scholarship		1,434
Automotive Department Scholarship		401
Bolgrin, Harrison Scholarship		502
Bridgestone/Firestone Automotive Scholarship		500
Cain, Edward and Henry Automotive Scholarship		2,125
Canton APICS Scholarship		474
Canton Carnival Wheels Scholarship		21,350
Charity School of Kendal Scholarship		6,998
Chesapeake Energy Corp. Scholarship		500
Chevron ShaleNET Scholarship		96,102
Cleveland Auto Dealers Grant		9,000
Colaner, David & Pauline Scholarship		456
Cross Scholarship		500
DeHoff Scholarship		235
Deuble Foundation Scholarship		1,608
Diamond J. Edward & Janet Scholarship		218
Diversity Scholarship		2,920
Emergency Services Chief Ball		500
Engineering Memorial Scholarship		1,022
Faculty Association Scholarship		18
Feaser, Paul & Susan Scholarship		500
Fisher, Janet C. Scholarship		682
Fortisure Foundation Scholarship		14,000
GAR Dual Enrollment Scholarship		6,375
GAR Scholarship		5,271
Gallagher, Eva Marie School Foundation		1,500
Gibson, Jeromy Com Service Memorial		500
Graco Engineer Scholarship		10,000
Hallier, Robert & Celine Scholarship		259
Hamilton, Lynn Scholarship		266
Haas, Gene Foundation Project Fund		2,667
Hatton, Katy Scholarship		271
Haverlock, William & Martha Scholarship		27
Hays, Sharon B. Scholarship		135
Health Foundation Greater Massillon		5,000
Hess Williams Ruth Health Scholarship		41,500
Hilscher Clarke Electricial Eng Fnd Sch		500
Hinderer James & Pauline Scholarship Proj		500
Hinderer, R & G Scholarship		500
Hoover, Herbert Scholarship		4,000
Hoover Scholarship		500
Houston, Doris Scholarship		526
Jivens, John and Carol Scholarship		226

## STARK STATE COLLEGE FOUNDATION

Details of Restricted Net Assets

June 30, 2017

### TEMPORARILY RESTRICTED NET ASSETS RELEASED FROM RESTRICTION (continued)

Scholarships and loans for students (continued):

Jones, Para Scholarship	640
Kennan Advantage Auto Scholarship	2,500
Kimble Foundation Scholarship	3,341
Kirsch, Roland Scholarship	1,000
Kismet Foundation Scholarship	2,000
Kaboth Family Book Scholarship	500
Kozy Corsaut-Kay Hanna Hn MLT SC	13
Krugliak, Samuel Scholarship	250
Lally Eberhart Scholarship	500
Lavery Scholarship	199
Lemon, George W. Scholarship	521
Liberator Honor Emergency Service Sch	10
Loew Family Scholarship	360
Maloney Family Scholarship	423
Mann, Roger & Kathleen	240
Marathon CDL Scholarship	12,500
Marathon Process Scholarship	8,000
McGrath, John Presidential Scholarship	3,614
McIntosh, Walter & Bess Scholarship	200
McLain, Robert Scholarship	1,000
Morford, Betty Scholarship	557
Moyer, Art Project Scholarship	326
Nexus Gas Transmission Sch	12,625
Northern Ohio Golf Charities Vet Grant	7,147
Picone, Joan M. Scholarship	300
President's Scholars Award	3,400
Rank, Ada & Helen Scholarship	2,200
Refrigeration Services HVAC Scholarship	5,224
Sabe, Ahmed Scholarship	410
Saums, Ned Scholarship	560
SCADA Automotive Scholarship	900
Schlitz, William & Barbara Scholarship	5,000
Schiltz W&B Scholarship	4,719
Shannon, Mary & Joseph Scholarship	415
Shreve, Zak & Ben Scholarship	201
Silk, Fred F. Scholarship	14,043
Smith, Fred Scholarship	2
Smith, Marge Scholarship	316
SSC Trustee Scholarship	12
Stark Comm Foundation Scholarship	2,540
Stevens, Eddie & Madeline Scholarship	441
Stokes, Marie Scholarship	119
Strouble, Thomas Foundation Scholarship	150
Students of Promise Scholarship	4,730
Student Services Scholarship	7
Student Scholarship	6,309
Veteran's Scholarship	8
Walters, Jeffery Scholarship	496

**STARK STATE COLLEGE FOUNDATION**

Details of Restricted Net Assets

June 30, 2017

**TEMPORARILY RESTRICTED NET ASSETS RELEASED FROM RESTRICTION (continued)**

Scholarships and loans for students (continued):

West, Charles H. and Virginia C. Scholarship	474
Westerbeck, John Scholarship	253
Wilkof, Ervin & Marie Scholarship	550
Wilkof, Edward & Ruth Scholarship	650
Wilkof, R&R Scholarship	727
Williams, Charles Scholarship	21
Total scholarships and loans for students	<u>363,888</u>

Instructional equipment and supplies:

Dominion Pipe Weld Project	30,000
Oil & Gas Lab	46,653
Timken Equipment Manufacturing grant	733,603
Workforce Development Software	13,420
Total instructional equipment and supplies	<u>823,676</u>

Barberton campus:

Barberton community foundation project	5,500
Barberton campus equipment	472
Total Barberton campus	<u>5,972</u>

Aesthetics:

Aesthetics	30
Pathway to the Future	322
Total aesthetics	<u>352</u>

Professional development:

Faculty and Staff Professional Development	7,348
Powers, Mary Professional Development	116
Total professional development	<u>7,464</u>

Student services:

Great Lakes College Ready Project	183,150
Great Lakes Dash Program	46,029
Knight, John S. and James Project	11,315
SSC Alumni Networking Grant	748
SSC Veteran Emergency Fund	2,385
Society Women in Engineering	202
Total student services	<u>243,829</u>

Total temporarily restricted net assets released from restriction \$ 1,445,181

# STARK STATE COLLEGE FOUNDATION

## Details of Restricted Net Assets

June 30, 2017

### PERMANENTLY RESTRICTED NET ASSETS

#### Scholarships and loans for students:

Abel, Larry Scholarship	\$	11,644
Akron Children's Hospital Scholarship		50,247
Albert, Leon & Helene Scholarship		19,159
Allied Dental Health Professionals Scholarship		8,273
Alumni Class Scholarship		101,719
APC Title III Grant		220,000
Aultman Hospital Scholarship		30,250
Automotive Department Scholarship		18,101
Ball, Chief Kerry Allan Emergency Services Scholarship		7,700
Bobbitt, Robert T. and Hortense Scholarship		10,520
Bolgrin, Harrison Scholarship		6,684
Bridgestone/Firestone Automotive Scholarship		12,550
Cain, Alice PTA Scholarship		6,560
Cain, Edward and Henry Automotive Scholarship		242,000
Canton APICS Scholarship		20,755
Career Development Scholarship		7,407
Chiappini, Thomas & Deborah Scholarship		5,164
Colaner, David & Pauline Scholarship		10,005
College Store Scholarship		5,441
Dean Brown Memorial Scholarship		19,734
DeHoff Family Scholarship		5,500
Deuble Foundation Scholarship		102,500
Diamond, J. Edward & Janet Scholarship		10,000
Diebold Foundation Scholarship		100,000
Disability Support Services Scholarship		9,463
Diversity Scholarship		62,826
Dominion East Ohio Gas Company Scholarship		10,000
Downtown Canton Student Scholarship Endowment		5,092
Droney Scholarship		6,505
Dyer, Dan & Sara Scholarship		12,500
Efremoff Culinary Scholarship		500
Efremoff, Tony & Sally Scholarship		1,970
Engineering Memorial Scholarship		23,435
Faculty Association Scholarship		34,649
Feaser, Paul & Susan Scholarship		11,153
Fisher, Janet C. Scholarship		40,323
Flowers, Albert & Edith Scholarship		46,500
Fortisure Foundation Scholarship		1,000,000
Gibson, Doris Scholarship		4,919
Gregory, Steve & Lisa Scholarship		3,000
Gwin, Scott and Monice Scholarship		4,836
Hallier, Robert & Celine Scholarship		6,602
Hamilton, Lynn Scholarship		5,500
Hatton, Katy Scholarship		5,635

# STARK STATE COLLEGE FOUNDATION

## Details of Restricted Net Assets

June 30, 2017

### PERMANENTLY RESTRICTED NET ASSETS (continued)

#### Scholarships and loans for students:

Haverlock, William & Martha Scholarship	11,038
Hays, Sharon B. Scholarship	15,645
Hillery, John Memorial HVAC Scholarship	51,100
Hinderer, Robert & Gladys Scholarship	10,591
Hinderer, James and Polly Scholarship	10,592
Hoover Foundation Scholarship	100,000
Hoover, Herbert Scholarship	100,000
Huston, Doris Scholarship	12,125
Jivens, John & Carol Scholarship	5,269
Jones, Para Scholarship	30,813
Kaboth Family Scholarship	3,931
Kallis, Mel Scholarship	26,115
Kimble Foundation Scholarship	85,000
Kismet Foundation Scholarship	42,000
Kozy Corsaut-Kay Hanna Scholarship	5,529
Krugliak, Samuel Scholarship	16,500
Lancaster, Judith E Barnes Scholarship	6,000
Labowitz, Rebecca Scholarship	1,746
Lally Eberhart Scholarship	5,700
Lavery, William Scholarship	5,500
Lemon, George W. Scholarship	12,305
Liberator, Jack B. Honor Emer Services Scholarship	350
Loew Family Scholarship	11,918
Longo Sports Medicine Scholarship	3,100
Luntz, William & Sharon Scholarship	25,001
Maloney, Dr. James & Sally Scholarship	12,357
Management & Marketing Scholarship	4,990
Mann, Roger & Kathleen Veterans Scholarship	5,000
Martin II, Donnie Memorial Scholarship	2,660
McGrath, John Presidential Scholarship	82,957
McIntosh, Walter & Bess Scholarship	5,100
Miller, Ron Scholarship	5,000
Miller, Timothy Scholarship	29,664
Morford, Betty Scholarship	13,885
Moyer, Art Endowment Scholarship	6,902
Myers, Selena Barberton Scholarship	6,374
Nursing & Respiratory Scholarship	1,792
Oil & Gas Scholarship	5,994
Physical Plant	4,466
Picone, Joan M. Scholarship	9,178
Proffitt, Kevin Scholarship Endowment	5,092
R.C. Miller Scholarship	60,000
Rank, Ada & Helen Scholarship	60,000
Reinsel, Logan D. Memorial Scholarship	5,000
Remark, Christopher & Stacey Nursing Scholarship	4,979
Robbins, Anna M. Memorial Scholarship	1,236

# STARK STATE COLLEGE FOUNDATION

Details of Restricted Net Assets

June 30, 2017

## PERMANENTLY RESTRICTED NET ASSETS (continued)

### Scholarships and loans for students:

Rohn Family Scholarship	6,391
Rolling Thunder Veteran Scholarship	5,000
Sabe, Ahmed Scholarship	27,000
Saums, Ned Scholarship	12,966
SCADA Automotive Scholarship	75,000
Schiltz, William and Barbara Scholarship	100,837
Science Division Scholarship	16,154
Shankle, Laurie Scholarship	5,200
Shannon, Mary & Joseph Scholarship	11,000
Shreve, Zak & Ben Scholarship	5,525
Silk, Fred F. Scholarship	376,000
Smerglia, Larry Scholarship	10,500
Smith, Fred Criminal Justice Scholarship	7,325
Smith, Marge Scholarship	28,877
SSC Trustees Scholarship	5,575
Sterner, Jayne Scholarship	7,481
Stevens, Eddie & Madeline Scholarship	10,400
Stokes, Marie Scholarship	12,311
Student Scholarship	135,135
Students of Promise Scholarship	103,341
Student Services Scholarship	5
Verlinich & Stepanovich Family Scholarship	262,407
Veteran's Scholarship	19,445
Wackerly, Patricia & Gene DeChellis Scholarship	5,098
Wallace Linville Family Scholarship	6,450
Walters, Jeffrey & Brenda Scholarship	17,168
Wenzel, Shawn Memorial English Scholarship	854
West, Charles H. and Virginia C. Scholarship	10,317
Westerbeck, John Scholarship	8,000
Wilkinson, James Memorial Culinary Scholarship	15,206
Wilkof, Edward & Ruth Scholarship	35,000
Wilkof, Ervin & Marie Scholarship	97,366
Wilkof, Ronald & Ruthanne Scholarship	44,314
William Lucas Accounting Scholarship	1,169
Williams, Charles Scholarship	5,058
Young, Dale A. and Marguerite M. Scholarship	65,828
Total scholarships and loans for students	<u>4,813,518</u>

### Instructional equipment and supplies:

Instructional Resources	<u>20,123</u>
Total instructional equipment and supplies	<u>20,123</u>

### Professional development:

Faculty and Staff Professional Development	114,647
Powers, Mary Professional Development	<u>9,993</u>
Total professional development	<u>124,640</u>

Total permanently restricted net assets \$ 4,958,281



**Independent Auditor’s 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***

To the Board of Directors  
Stark State College Foundation

We have audited, in accordance with the 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, the financial statements of Stark State College Foundation (the “Foundation”) (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundation’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Foundation’s internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors  
Stark State College Foundation

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cienni + Panichi, Inc.*

Cleveland, Ohio  
December 29, 2017



# Dave Yost • Auditor of State

**STARK STATE COLLEGE FOUNDATION**

**STARK 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  
JANUARY 18, 2018**