

**Deloitte &
Touche**



***CINCINNATI STATE
TECHNICAL AND
COMMUNITY COLLEGE
FOUNDATION***

*Financial Statements - Cash Basis as of June 30,
1999 and 1998 and for the Year Ended June 30,
1998 and Independent Auditors' Report*

**Deloitte Touche
Tohmatsu**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Directors
Cincinnati State Technical and Community College Foundation

We have reviewed the independent auditor's report of the Cincinnati State Technical and Community College Foundation, Hamilton County, prepared by Deloitte & Touche LLP, for the audit period July 1, 1998 through June 30, 1999. 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 Cincinnati State Technical and Community College Foundation is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro", written over a printed name and title.

JIM PETRO
Auditor of State

March 3, 2000

Deloitte & Touche



Deloitte & Touche LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors

Cincinnati State Technical and Community College Foundation:

We have audited the accompanying statements of assets and net assets - cash basis of Cincinnati State Technical and Community College Foundation (the "Foundation") as of June 30, 1999 and 1998, and the related statement of support and revenue collected and expenditures paid and changes in net assets - cash basis for the year ended June 30, 1999. 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 audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial 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 audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the financial statements, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, such financial statements present fairly, in all material respects, the assets and net assets - cash basis of the Foundation as of June 30, 1999 and 1998 and its support and revenue collected, expenditures paid, and changes in net assets - cash basis for the year ended June 30, 1999, on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 1999 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 grants.

Deloitte & Touche LLP

September 24, 1999

**Deloitte Touche
Tohmatsu**

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CINCINNATI STATE TECHNICAL AND COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF ASSETS AND NET ASSETS - CASH BASIS JUNE 30, 1999 AND 1998

ASSETS	1999	1998
CASH AND CASH EQUIVALENTS:		
Unrestricted	\$ 83,293	\$ 75,931
Temporarily restricted	444,150	377,798
	<u>527,443</u>	<u>453,729</u>
INVESTMENTS:		
Unrestricted	235,387	220,330
Permanently restricted	467,588	380,137
	<u>702,975</u>	<u>600,467</u>
TOTAL ASSETS	<u><u>\$1,230,418</u></u>	<u><u>\$ 1,054,196</u></u>
 NET ASSETS		
UNRESTRICTED:		
General	\$ 83,293	\$ 75,931
Quasi-Endowment	235,387	220,330
TEMPORARILY RESTRICTED:		
General	444,150	298,509
Capital Campaign		79,289
PERMANENTLY RESTRICTED ENDOWMENT	<u>467,588</u>	<u>380,137</u>
TOTAL NET ASSETS	<u><u>\$1,230,418</u></u>	<u><u>\$ 1,054,196</u></u>

See notes to financial statements - cash basis.

**CINCINNATI STATE TECHNICAL AND
COMMUNITY COLLEGE FOUNDATION**

**STATEMENT OF SUPPORT AND REVENUE COLLECTED AND EXPENDITURES PAID
AND CHANGES IN NET ASSETS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 1999 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1998**

	Unrestricted		Temporarily Restricted		Permanently Restricted Endowment	1999 Total	1998 Total
	General	Quasi-Endowment	General	Capital Campaign			
SUPPORT AND REVENUE:							
Contributions	\$ 69,784		\$ 404,372		\$ 474,156	\$ 525,120	
Interest and dividend income, net	26,277	2,837	7,305		36,419	22,098	
Realized gain on investment transactions		7,639			20,013	53,819	
Increase in unrealized gain on investments		7,418			82,495	28,242	
Net assets released from restrictions	336,919		(257,630)	(79,289)			
Total support and revenue	<u>432,980</u>	<u>17,894</u>	<u>154,047</u>	<u>(79,289)</u>	<u>613,083</u>	<u>629,279</u>	
EXPENDITURES - Support to the College for:							
Property, plant, and equipment	238,835				238,835	268,569	
Student scholarships/financial aid and educational program funding	198,026				198,026	77,180	
Total expenditures	<u>436,861</u>				<u>436,861</u>	<u>345,749</u>	
TRANSFER	2,837	(2,837)					
INCREASE (DECREASE) IN NET ASSETS FOR THE YEAR	(1,044)	15,057	154,047	(79,289)	87,451	283,530	
NET ASSETS, Beginning of year	<u>84,337</u>	<u>220,330</u>	<u>290,103</u>	<u>79,289</u>	<u>1,054,196</u>	<u>770,666</u>	
NET ASSETS, End of year	<u>\$ 83,293</u>	<u>\$ 235,387</u>	<u>\$ 444,150</u>	<u>\$ -</u>	<u>\$ 467,588</u>	<u>\$ 1,054,196</u>	

See notes to financial statements - cash basis.

CINCINNATI STATE TECHNICAL AND COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS - CASH BASIS AS OF JUNE 30, 1999 AND 1998 AND FOR THE YEAR ENDED JUNE 30, 1999

1. ORGANIZATION AND GENERAL INFORMATION

The Cincinnati State Technical and Community College Foundation ("Foundation") was organized to promote and support the programs, services and capital improvement projects of Cincinnati State Technical and Community College ("College") and to solicit, receive, hold, administer and apply funds or other property, raised through gifts, devises, bequests, endowments, and grants for the benefit of the College.

The Foundation is governed by a self-perpetuating Board of Directors whose membership consists of certain ex-officio and other members from the College's Board and management and members (a majority) who are not from the College's Board or employed by the College.

Certain administrative functions related to the Foundation are provided by the College at no cost to the Foundation.

The Foundation is exempt from federal income taxes under Internal Revenue Code section 501c(3).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accounts of the Foundation are maintained, and financial statements are prepared on the cash basis of accounting. Consequently, certain support and revenues and the related assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when obligations are incurred. Such financial statements do not include pledges/contributions receivable, investment income accruals, accounts/grants payable, in-kind contributions and expenditure or other accruals. The accompanying statement of support and revenue collected and expenditures paid includes certain prior-year comparative information summarized from the Foundation's 1998 financial statements. Accordingly, the accompanying financial statements are not intended to present financial position or results of operations in conformity with generally accepted accounting principles. Various types of funds used by the Foundation are discussed below.

Unrestricted Net Assets:

General - General unrestricted net assets have no external restrictions as to use or purpose.

Quasi-Endowment Net Assets - Quasi-Endowment net assets are designated by the Board of Directors to be invested as a preservation of gift income and used at a later date when additional needs may arise.

Temporarily Restricted Net Assets:

General - General restricted net assets represent net assets received that are restricted as to use as specified by donors. Such funds are generally restricted as follows at June 30, 1999 and 1998:

	1999	1998
Scholarships/student financial aid	\$ 268,096	\$ 247,068
Equipment purchases	<u>176,054</u>	<u>43,035</u>
Total	<u>\$ 444,150</u>	<u>\$ 290,103</u>

Capital Campaign Net Assets - Capital campaign net assets are used to account for donations through a prior year Foundation capital campaign. These funds are restricted for support of the College's property, plant and equipment purchases.

Permanently Restricted Endowment Net Assets - Endowment net assets are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested and the income only be utilized.

Contributions - The Foundation follows a practice of recognizing as contributions and expenditures amounts received from other organizations (businesses and various not-for-profit and charitable organizations) that are restricted for scholarships or financial aid to individual students specifically named by such other organizations. Such contributions amounted to approximately \$800 for the year ended June 30, 1999.

Cash and Cash Equivalents - Cash and cash equivalents consist of demand deposits and certificates of deposit.

Investments - Investments are reported at fair value and consist of pooled investments in The Greater Cincinnati Foundation Balanced Pool ("Pool"). The valuation of the investments in the Pool are based on the quoted market values of the investments held by the Pool. The Pool primarily invests in large capitalized equities and intermediate duration bonds.

Management Estimates - The preparation of financial statements require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Standard - The Foundation has not completed the process of evaluating the impact that will result from adopting Statement of Financial Accounting Standards ("SFAS") No. 136 "Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others." The Foundation is therefore unable to disclose the impact that adopting SFAS No. 136 will have on its financial position and results of operations when such statement is adopted. The statement is effective for years beginning after December 15, 1999.

Reclassifications - Certain reclassifications have been made to the financial statements for the prior year to conform with current year classifications.

3. CONCENTRATIONS OF CREDIT RISK

Included in the cash and cash equivalents shown in the accompanying financial statements are \$496,858 of Certificates of Deposit and overnight investment accounts with one local bank for the year ended June 30, 1999 and \$454,000 of demand deposits with one local bank for the year ended June 30, 1998.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of
Cincinnati State Technical and Community College Foundation

We have audited the financial statements of Cincinnati State Technical and Community College Foundation (the "Foundation") as of and for the year ended June 30, 1999, and have issued our report thereon dated September 24, 1999, which were prepared on a basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the Foundation's internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees and management of the Foundation 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

September 24, 1999



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CINCINNATI STATE TECHNICAL AND COMMUNITY COLLEGE FOUNDATION

HAMILTON 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.

By: Susan Babbitt

Date: MARCH 16, 2000