

LIMA TECHNICAL COLLEGE DEVELOPMENT FUND
ALLEN COUNTY, OHIO

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1999

E. S. EVANS AND COMPANY
Certified Public Accountants
Lima, Ohio

LIMA TECHNICAL COLLEGE DEVELOPMENT FUND
ALLEN COUNTY, OHIO

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1999

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ALLEN COUNTY, OHIO

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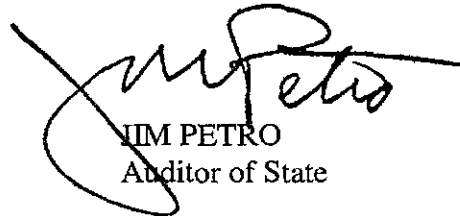
STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

Board of Trustees
Lima Technical College Foundation
Lima, Ohio

We have reviewed the Independent Auditor's Report of the Lima Technical College Foundation, Allen County, prepared by E.S. Evans & Company, for the audit period July 1, 1998 to 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 Lima Technical College Foundation is responsible for compliance with these laws and regulations.


JIM PETRO
Auditor of State

February 18, 2000



E. S. EVANS AND COMPANY

Certified Public Accountants

ESTABLISHED 1926

ROBERT E. WENDEL, CPA
DAN F. CLIFFORD, CPA

205 WEST ELM STREET • LIMA, OHIO 45801 • TEL. (419) 223-3075
P.O. BOX 298 • LIMA, OHIO 45802-0298

FAX (419) 222-8507

E. S. EVANS, CPA, PFS
(1930-1999)

December 20, 1999

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Lima Technical College Development Fund
Allen County, Ohio

and

Auditor of State of Ohio
Columbus, Ohio

We have audited the accompanying statements of financial position of Lima Technical College Development Fund (a nonprofit organization) as of June 30, 1999, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lima Technical College Development Fund as of June 30, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 20, 1999 on our consideration of Lima Technical College Development Fund's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grants.

LIMA TECHNICAL COLLEGE DEVELOPMENT FUND
ALLEN COUNTY, OHIO

STATEMENT OF FINANCIAL POSITION

June 30, 1999

Assets:

Cash and Cash Equivalents	\$	36,417
Investments - Note B		759,368
Pledges Receivable - Note F		194,073
Accounts Receivable		<u>4,485</u>
Total Assets	\$	<u>994,343</u>

Liabilities and Net Assets:

Accounts Payable	\$	<u>44,276</u>
Net Assets:		
Unrestricted		299,489
Temporarily Restricted		356,224
Permanently Restricted		<u>294,354</u>
Total Net Assets		<u>950,067</u>
Total Liabilities and Net Assets	\$	<u>994,343</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT A

LIMA TECHNICAL COLLEGE DEVELOPMENT FUND
ALLEN COUNTY, OHIO

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 1999

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Revenues, Gains and Other Support:</u>				
Donations	\$ 171,836	\$ 56,157	\$ 48,593	\$ 276,586
Interest	1,934	16,898	-	18,832
Net Unrealized Gains/(Losses)	5,525	24,812	-	30,337
	<u>179,295</u>	<u>97,867</u>	<u>48,593</u>	<u>325,755</u>
Assets Released from Restrictions	28,735	(28,735)	-	-
Total Revenues, Gains and Other Support	<u>208,030</u>	<u>69,132</u>	<u>48,593</u>	<u>325,755</u>
 <u>Expenses and Losses:</u>				
Scholarships/Awards	28,735	-	-	28,735
Administrative Activities - Meals, Travel, Entertainment, etc.	6,228	-	-	6,228
Total Expenses and Losses	<u>34,963</u>	<u>-</u>	<u>-</u>	<u>34,963</u>
 Change in Net Assets	 173,067	 69,132	 48,593	 290,792
Net Assets at Beginning of Year	<u>126,422</u>	<u>287,092</u>	<u>245,761</u>	<u>659,275</u>
Net Assets at End of Year	<u>\$ 299,489</u>	<u>\$ 356,224</u>	<u>\$ 294,354</u>	<u>\$ 950,067</u>

The accompanying notes are an integral part of these financial statements.

EXHIBIT B

LIMA TECHNICAL COLLEGE DEVELOPMENT FUND
ALLEN COUNTY, OHIO

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 1999

<u>Cash Flows from Operating Activities:</u>	
Change in Net Assets	\$ 290,792
Adjustments to Reconcile Change in Net Assets to Net Cash Provided/(Used) by Operating Activities:	
(Increase)/Decrease in Account Receivables	(3,161)
(Increase)/Decrease in Pledge Receivables	(194,073)
Increase/(Decrease) in Account Payable	<u>20,978</u>
Net Cash Provided/(Used) by Operating Activities	<u>114,536</u>
<u>Cash Flows from Investing Activities:</u>	
Net Unrealized Gains on Investments	(30,337)
Investment Purchases	<u>(170,369)</u>
Net Cash Provided/(Used) by Investing Activities	<u>(200,706)</u>
<u>Net Increase/(Decrease) in Cash</u>	(86,170)
<u>Cash and Cash Equivalents at Beginning of Year</u>	<u>122,587</u>
<u>Cash and Cash Equivalents at End of Year</u>	<u>\$ 36,417</u>

The accompanying notes are an integral part of these financial statements

EXHIBIT C

LIMA TECHNICAL COLLEGE DEVELOPMENT FUND
ALLEN COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note A - Summary of Significant Accounting Policies

Purpose of Organization

This Organization was established for charitable and educational purposes for the benefit of Lima Technical College and its students, by receiving, holding, investing, and administering property and making expenditures to or for the benefit of Lima Technical College and its students.

Method of Accounting

Lima Technical College Development Fund uses the accrual method of accounting for income and expense.

Federal Income Taxes

Lima Technical College Development Fund is a not for profit organization exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code. In addition, Lima Technical College Development Fund qualifies for the charitable contribution deduction under Section 170(b)(1)(A).

Basis of Financial Statement Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly actual results could differ from those estimates.

LIMA TECHNICAL COLLEGE DEVELOPMENT FUND
ALLEN COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note A - Summary of Significant Accounting Policies - (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, Lima Technical College Development Fund considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows include checking accounts, savings accounts, and petty cash.

Fair Value of Financial Instruments

The following methods and assumptions were used by Lima Technical College Development Fund in estimating the fair value of their financial instruments:

Cash and Cash Equivalents - The carrying amount reported in the Statement of Financial Position is fair value.

Investments - These are carried at market value. Market values are based on current quoted market prices in accordance with the Statement of Financial Standards (SFAS) No. 124.

Concentrations of Credit Risk

Financial instruments that potentially subject Lima Technical College Development Fund to credit risk are the investments. Investments are held in various investment groups. Management believes that funds are diverse enough that credit risk is minimal due to market stability over the past years.

Note B - Investments

Investments at June 30, 1999 are comprised of the following:

Bond and Equity Funds	\$ 591,414
Stock Funds	<u>167,954</u>
Total	<u>\$ 759,368</u>

LIMA TECHNICAL COLLEGE DEVELOPMENT FUND
ALLEN COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note C— Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restriction.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Note D - Restrictions on Net Assets

The permanently restricted net assets are comprised of donations given to the Lima Technical College Development Fund for the establishment of scholarship endowments. These endowed funds will be held indefinitely, the income from which is expendable for student scholarships.

The Lima Technical College Development Fund also receives donations restricted for specific purposes. These funds are classified as temporarily restricted net assets. Once the restrictions are satisfied or expire, the temporarily restricted net assets are released to the unrestricted fund.

Note E— Dayton Foundation

Two scholarship funds are held by The Dayton Foundation. The John J. and Martha M. Hudson Fund and the James J. Countryman Fund. The account balances at June 30, 1999 are \$10,093.35 and \$3,051.42, respectively. These funds are managed by The Dayton Foundation and are not included in the financial statements of Lima Technical College Development Fund. Lima Technical College awards a \$300 scholarship from the Hudson Fund annually. The money is transferred from The Dayton Foundation to Lima Technical College and is treated as revenue and expense in the year awarded. The Countryman Fund has not awarded any scholarships as of June 30, 1999.

LIMA TECHNICAL COLLEGE DEVELOPMENT FUND
ALLEN COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note E— Fair Value of Pledges Receivable

The fair value of unconditional promises to give (pledges receivable) in more than one year is estimated at \$194,073 after discounting for the future cash flows.

The following schedule summarizes the net realizable value and discounted values through the year 2004.

	Net Realizable <u>Value</u>	Discounted <u>Value</u>
2000	\$ 61,216	\$ 61,216
2001	56,994	53,941
2002	31,663	28,362
2003	31,663	26,843
2004	<u>29,553</u>	<u>23,711</u>
Total	<u>\$211,089</u>	<u>\$194,073</u>

Note G— Subsequent Events

The Lima Technical College undertook a major Gift Campaign Drive in 1999. From July to December 1999, a total of \$840,699 in cash and pledges were received. These pledges are to be paid over a period of five years.



E. S. EVANS AND COMPANY

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ESTABLISHED 1926

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December 20, 1999

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Lima Technical College Development Fund
Allen County, Ohio

and

Auditor of State of Ohio
Columbus, Ohio

We have audited the financial statements of Lima Technical College Development Fund as of and for the year ended June 30, 1999, and have issued our report thereon dated December 20, 1999. 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

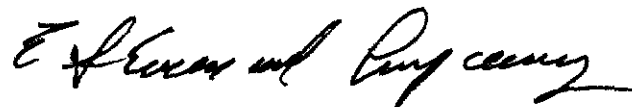
As part of obtaining reasonable assurance about whether Lima Technical College Development Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial 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 that we are required to be reported under Government Auditing Standards.

Board of Trustees
Lima Technical College Development Fund
Auditor of State of Ohio
December 20, 1999
Page 2

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lima Technical College Development Fund'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 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 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, management, and Auditor of State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

LIMA TECHNICAL COLLEGE FOUNDATION

ALLEN 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 9, 2000