

**THE LAKELAND FOUNDATION**  
**KIRTLAND, OHIO**

**FINANCIAL STATEMENTS**  
**JUNE 30, 2009**





Mary Taylor, CPA  
Auditor of State

Board of Directors  
The Lakeland Foundation  
7700 Clocktower Drive  
Kirtland, Ohio 44094

We have reviewed the *Independent Auditor's Report* of The Lakeland Foundation, Lake County, prepared by S.R. Snodgrass, A.C., for the audit period July 1, 2008 through June 30, 2009. 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 Lakeland Foundation is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

November 18, 2009

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**THE LAKELAND FOUNDATION  
FINANCIAL STATEMENTS**

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### Independent Auditor's Report

To the Board of Directors of  
The Lakeland Foundation  
7700 Clocktower Drive  
Kirtland, OH, 44094

We have audited the accompanying statement of financial position of The Lakeland Foundation (a nonprofit organization) as of June 30, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Lakeland Foundation at June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 23, 2009 on our consideration of The Lakeland 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.

*S.R. Snodgrass, A.C.*

Mentor, Ohio  
September 23, 2009

**THE LAKELAND FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

<b>ASSETS</b>	<u>2009</u>	<u>2008</u>
Cash and Cash Equivalents	\$ 269,610	\$ 254,107
Cash Held for Others	20,938	25,875
Investments, at fair value	2,142,935	2,379,916
Pledges Receivable - net	274,317	156,986
Donations Receivable	35,525	17,816
Loans Receivable - net	7,338	12,634
Other Assets	1,206	5,922
Prepaid Expense	6,649	-
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 2,758,518</u>	<u>\$ 2,853,256</u>
<b>LIABILITIES</b>		
Payables (Scholarship and Trade)	\$ 89,031	\$ 53,142
Due to Custodial Funds	20,938	25,875
Total Liabilities	<u>109,969</u>	<u>79,017</u>
<b>NET ASSETS</b>		
Permanently Restricted	1,465,811	1,403,426
Temporarily Restricted	1,005,752	1,121,047
Unrestricted	176,986	249,766
	<u>                    </u>	<u>                    </u>
Total Net Assets	<u>2,648,549</u>	<u>2,774,239</u>
	<u>                    </u>	<u>                    </u>
Total Liabilities and Net Assets	<u>\$ 2,758,518</u>	<u>\$ 2,853,256</u>

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

**THE LAKELAND FOUNDATION  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2009  
(WITH COMPARATIVE TOTALS FOR 2008)**

SUPPORT, REVENUE, and RECLASSIFICATIONS	PERMANENTLY RESTRICTED		TEMPORARILY RESTRICTED		UNRESTRICTED		2009 TOTALS		2008 TOTALS	
	\$		\$		\$		\$		\$	
Private and Corporate Contributions and Grants			976,005		43,646		1,055,276		899,231	
Donations - In-Kind	-		49,108		5,396		54,504		105,081	
Interest and Dividends	-		39,034		30,784		69,818		86,996	
Realized Gain (Loss) on Investments	-		(154,831)		555		(154,276)		87,089	
Unrealized Loss on Investments	-		(165,785)		(1,350)		(167,135)		(216,233)	
Total Support and Revenue	35,625		743,531		79,031		858,187		962,164	
Net Assets Released from Restrictions or Transferred	26,760		(858,826)		832,066		-		-	
Total Support, Revenues, and Reclassifications	62,385		(115,295)		911,097		858,187		962,164	
<b>PROGRAM and SUPPORT EXPENSES</b>										
Program Services:										
Scholarships	-		-		329,219		329,219		317,608	
Educational and Related Programs	-		-		388,923		388,923		297,252	
In-Kind Educational and Related Programs	-		-		11,071		11,071		55,931	
Total Program Services	-		-		729,213		729,213		670,791	
Support Services:										
Administration	-		-		123,486		123,486		116,727	
Fundraising	-		-		87,746		87,746		69,689	
Fundraising - In-Kind	-		-		43,432		43,432		49,241	
Total Support Services	-		-		254,664		254,664		235,657	
Total Program and Support Expenses	-		-		983,877		983,877		906,448	
<b>CHANGE IN NET ASSETS</b>	62,385		(115,295)		(72,780)		(125,690)		55,716	
<b>NET ASSETS - Beginning of Year</b>	1,747,361		777,112		249,766		2,774,239		2,718,523	
<b>NET ASSET RECLASSIFICATION</b>	(343,935)		343,935		-		-		-	
<b>BASED ON CHANGE IN LAW</b>	\$ 1,465,811		\$ 1,005,752		\$ 176,986		\$ 2,648,549		\$ 2,774,239	

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



**THE LAKELAND FOUNDATION  
STATEMENT OF CASH FLOWS  
JUNE 30, 2009  
(WITH COMPARATIVE TOTALS FOR 2008)**

	2009	2008
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (125,690)	\$ 55,716
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in Allowance for Uncollectible Loans	(512)	(125)
Change in Allowance for Uncollectible Pledges	13,254	(19,959)
Change in Discounts to Net Present Value	13,566	(3,105)
Realized Loss (Gain) on Investments	154,276	(87,089)
Unrealized Loss on Investments	167,135	216,233
Contributions Restricted for Long-Term Investment Premium/Discount Amortization	(35,625)	(73,665)
Interest and Dividends Restricted for Reinvestment	(918)	73
Interest and Dividends Restricted for Reinvestment	(39,034)	(47,065)
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Pledges Receivable	(144,153)	23,978
Decrease in Program Loans Receivable	5,808	4,574
(Increase) Decrease in Accounts Receivable	(17,709)	502
Decrease (Increase) in Other Assets	4,716	(5,246)
(Increase) in Prepaid Expense	(6,649)	158
Increase (Decrease) in Payables	35,891	(9,177)
(Decrease) in Contingent Pledge Liability	-	(25,000)
Total Adjustments	150,046	(24,913)
Net Cash Provided by Operating Activities	24,356	30,803
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sales and Maturity of Investments	948,664	1,245,990
Purchase of Investments	(1,076,600)	(1,285,054)
Change in Investment Money Market funds	44,424	(107,266)
Net Cash Used by Investing Activities	(83,512)	(146,330)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest and Dividends Restricted for Reinvestment	39,034	47,065
Contributions Restricted for Long-Term Investment	35,625	73,665
Net Cash Provided by Financing Activities	74,659	120,730
Net Change in Cash and Cash Equivalents	15,503	5,203
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	254,107	248,904
<b>CASH AND CASH EQUIVALENTS - End of Year</b>	\$ 269,610	\$ 254,107
<b>SUPPLEMENTAL SCHEDULE OF NON-CASH OPERATING ACTIVITIES</b>		
Donated Goods	54,503	105,081
Donated Goods Used in Operations	(54,503)	(105,172)
Net Change Affecting Net Assets	\$ -	\$ (91)

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

**THE LAKELAND FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009**

**1. NATURE OF ACTIVITIES**

The Lakeland Foundation (the "Foundation") was formed in 1981 to obtain private financing support for the promotion of excellence at Lakeland Community College ("LCC") and operates for the benefit and is a component unit of Lakeland Community College. The Foundation provides scholarships, support, and loans to financially disadvantaged students, students demonstrating excellent academic abilities, and students meeting criteria of specific donor stipulations. The Foundation also provides support to specific educational departments and programs of LCC. The accounting records for the Foundation are maintained at LCC Kirtland, Ohio. Certain administrative expenses of the Foundation are paid directly by LCC.

The Foundation serves as fiscal agent for Partners in Science Excellence (PSE). Partners in Science Excellence is a separate organization with its own board. The cash on hand and due PSE is reflected on the Statement of Financial Position and Cash Held for Others and Due to Custodial Funds.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

BASIS OF ACCOUNTING

The accompanying financial statements are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

BASIS OF PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

- Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time.
- Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of such assets permit the Foundation to use all or part of the income earned on the assets.

**THE LAKELAND FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

COMPARATIVE FINANCIAL STATEMENTS

The financial statements include certain prior-year (2008) comparative total amounts. Such total amounts do not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such amounts should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2008, from which the comparative total amounts were derived. The 2008 audited financial statement had an unqualified opinion expressed on it by S.R. Snodgrass, A.C.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, cash equivalents include time deposits, certificates of deposit, and liquid debt instruments that may be used within one year. Money Market investments are considered investments and are classified as such in the cash flow statement.

CONCENTRATIONS OF CREDIT RISK

The Foundation maintains its cash and cash equivalents in various bank accounts, the amounts of which may at times exceed federally insured limits. The Foundation's cash investments are placed with high-credit-quality financial institutions. Non-interest bearing accounts and interest bearing accounts under .5% at an institution are insured fully by the Federal Deposit Insurance Corporation (FDIC) until December 31, 2013. Interest bearing accounts over .5% interest rate are insured up to \$ 250,000 until December 31, 2013. Cash and cash equivalents at the institution do not exceed the federally insured limits as of June 30, 2009. The Foundation has not experienced any losses in such accounts, and management believes the Foundation is not subject to a risk of loss beyond that related to market changes.

INVESTMENTS

Investments in marketable securities are stated at fair market value.

The Foundation's practice with respect to contributions of equity securities is to sell the securities upon receipt for their current fair market value.

FINANCIAL INSTRUMENTS

The amounts recorded on the Statement of Financial Position for the financial instruments approximate the fair value of those items.

**THE LAKELAND FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

CONTRIBUTIONS

The Foundation accounts for donations in accordance with the recommendations of the FASB in SFAS No. 116, "Accounting for Contributions Received and Contributions Made". Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

TAX STATUS

The Foundation is considered a charitable organization under Section 501 (c) (3) of the Internal Revenue Code and is therefore exempt from federal income tax.

DONATIONS AND PLEDGES RECEIVABLE

Donations receivable are funds committed in the ordinary course of the Foundation's operations.

Pledges receivable are funds committed as part of the major gifts campaign.

DONATED ADMINISTRATIVE EXPENSES

Certain administrative functions of the Foundation are performed by administrative employees of Lakeland Community College at no charge to the Foundation. The value of these services is not recognized in these financial statements. The dollar value is not significant in relation to the financial statements taken as a whole.

DONATED FUNDRAISING EXPENSES

Significant time has been provided by many volunteers in fundraising activities; however, these donated services are not reflected in the financial statements since the services do not require specialized skills.

COMMITMENTS

There were no significant commitments not recognized at June 30, 2009.

**THE LAKELAND FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

INTERPRETATION OF RELEVANT LAW

The Board of Directors 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 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 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 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
- (7) The investment policies of the Foundation

SUBSEQUENT EVENTS

The Foundation assessed events occurring subsequent to June 30, 2009 through September 23, 2009 for potential recognition and disclosure in the consolidated financial statements. No events were identified that would require adjustment to or disclosure in the financial statements.

**3. INVESTMENTS**

Investments are recorded at fair value. The historical and fair value at June 30, 2009 and 2008 were as follows:

**THE LAKELAND FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009**

**3. INVESTMENTS (CONTINUED)**

	<u>2009</u>		<u>2008</u>	
	<u>COST</u>	<u>FAIR VALUE</u>	<u>COST</u>	<u>FAIR VALUE</u>
Corporate Stocks	\$ -	\$ -	\$ 5,939	\$ 7,289
Municipal Bonds	204,088	202,774	128,056	128,655
Corporate Bonds	173,107	172,316	251,622	251,030
Agency Bonds	100,986	102,602	124,554	125,967
Foreign Bonds	25,754	25,688	-	-
Fixed Income				
Mutual Funds	552,116	539,413	512,503	508,053
Equity Mutual Funds	878,665	667,102	911,024	843,776
International Mutual Funds	159,026	131,535	229,597	217,606
Alternative Assets	44,131	48,389	-	-
Money Market/Cash and Reserves	<u>253,116</u>	<u>253,116</u>	<u>297,540</u>	<u>297,540</u>
	<u>\$ 2,390,989</u>	<u>\$ 2,142,935</u>	<u>\$ 2,460,835</u>	<u>\$ 2,379,916</u>

**4. NET ASSETS**

UNRESTRICTED FUNDS

These funds have no donor-imposed stipulations and the funds are used for general operating purposes deemed necessary by the Board of Directors.

TEMPORARILY RESTRICTED FUNDS

The Foundation has three types of funds which have been designated temporarily restricted. These funds include private and corporate contributions which have been temporarily restricted for these specific purposes. Earnings on investments of this fund are included in the unrestricted fund unless such earnings have been stipulated as temporarily restricted by donors.

Temporarily restricted net assets are available for the following purposes as of June 30, 2009 and 2008. Approximate totals are:

	<u>2009</u>	As Reclassed <u>2008</u>
Scholarships	\$ 596,224	\$ 535,587
Loans (Note 6)	30,685	30,173
Educational & Related Programs	363,391	211,352
Portion of Endowment Fund Classified as Temporarily Restricted	<u>15,452</u>	<u>343,935</u>
Total Temporarily Restricted Net Assets	<u>\$ 1,005,752</u>	<u>\$ 1,121,047</u>

**THE LAKELAND FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009**

**4. NET ASSETS (CONTINUED)**

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

	<u>2009</u>	As Reclassified <u>2008</u>
Scholarships	\$ 304,218	\$ 317,608
Loans (Note 6)	(512)	(125)
Educational & Related Programs	375,521	350,567
Administration/Fundraising	135,599	112,510
Release or Transferred-Perm Restricted	26,760	54,193
Released or Transferred-Undesignated	<u>17,240</u>	<u>24,922</u>
Total Net Assets Released from Donor Restrictions	<u>\$ 858,826</u>	<u>\$ 859,675</u>

PERMANENTLY RESTRICTED FUNDS

The Endowment Fund includes contributions restricted in perpetuity or for terms designated by the donor. Earnings on investments of the Endowment Fund are classified as temporarily restricted assets. However, the earnings may be used for current purposes of the Foundation.

Endowment activity is as follows:

	<u>Permanent Endowment</u>
Balance July 1, 2008	\$ 1,403,427
Support and Revenue:	
Donations	<u>35,625</u>
Total Support and Revenue	1,439,051
Net Asset Released from Restrictions or by Transfer	
Released or transferred from	
Temporarily Restricted	<u>26,760</u>
Total Net Assets Released from Restrictions or Transferred	<u>26,760</u>
Balance June 30, 2009	<u>\$ 1,465,811</u>

NET ASSET RECLASSIFICATION

A portion of the permanently restricted net assets were reclassified to temporarily restricted net assets for 2008 to comply with a change in law in the amount of \$ 343,935.

**5. PLEDGES RECEIVABLE**

At June 30, 2009 and 2008, pledges outstanding were \$ 323,001 and \$ 178,850, respectively. The related allowance for uncollected pledges at June 30, 2009 and 2008 are \$ 23,154 and \$ 9,900, respectively.

**THE LAKELAND FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2009**

**5. PLEDGES RECEIVABLE (CONTINUED)**

Unconditional promises to give are as follows:

	<u>2009</u>	<u>2008</u>
Total Unconditional Promises to Give	\$ 323,001	\$ 178,850
Less: Discount to Net Present Value	(25,530)	(11,964)
Less: Allowance for Uncollectible Pledges	<u>(23,154)</u>	<u>(9,900)</u>
Net Unconditional Promises to Give	<u>\$ 274,317</u>	<u>\$ 156,986</u>

Discount rates used on long-term promises to give average 6% in 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Unconditional Pledges to give:		
Unrestricted Amounts Due:		
Less than one year	\$ 14,582	\$ 37,991
One to Five Years	2,848	9,978
Temporarily Restricted Amounts Due:		
Less than one year	172,880	90,851
One to Five Years	68,845	9,862
Permanently Restricted Amounts Due:		
Less than one year	10,371	8,304
One to Five Years	4,791	-
Total	<u>\$ 274,317</u>	<u>\$ 156,986</u>

**6. LOANS RECEIVABLE**

As of June 30, 2009 and 2008, loans receivable totaled \$ 83,303 and \$ 89,111, respectively. During fiscal year ended June 30, 2009 a total of \$ 2,000 was distributed to qualifying students in a revolving student loan in the C. Schell Loan Program. The loans are interest free and have various repayment terms. During fiscal year ended June 30, 2009, \$ 7,808 had been repaid. The related allowance for uncollectible loans is \$ 75,965 and \$ 76,477 for fiscal years ended June 30, 2009 and June 30, 2008, respectively.

**7. RELATED PARTY TRANSACTIONS**

The College made distributions to the Foundation of \$ 154,724 and \$ 142,335 for the years ended June 30, 2009 and 2008, respectively. The Foundation distributed \$ 826,134 and \$ 714,336 for the years ended 2009 and 2008, respectively, to the College. The Foundation also distributed \$ 9,591 and \$ 54,637 in Gifts-in-Kind for the years ended 2009 and 2008, respectively. The Foundation had receivables from the College of \$ 20,926 and \$ 5,898 as of June 30, 2009 and 2008, respectively. The Foundation had payables to the College of \$ 62,118 and \$ 28,265 as of June 30, 2009 and 2008, respectively.





**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 of  
The Lakeland Foundation

We have audited the financial statements of The Lakeland Foundation (a nonprofit organization) as of and for the year ended June 30, 2009, and have issued our report thereon dated September 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered The Lakeland 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 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 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 in a timely basis.

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 Lakeland 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*.

To the Board of Directors of  
The Lakeland Foundation  
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This report is intended solely for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

*J. R. Snodgrass, A.C.*

Mentor, Ohio  
September 23, 2009



Mary Taylor, CPA  
Auditor of State

**THE LAKELAND FOUNDATION**

**LAKE 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  
DECEMBER 1, 2009**