

# North Central State College Foundation

RICHLAND COUNTY



## REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2023

**PLATTENBURG**  
Certified Public Accountants



OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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(800) 282-0370

Board of Trustees  
North Central State College Foundation  
2441 Kenwood Circle  
Mansfield, Ohio 44906

We have reviewed the *Independent Auditor's Report* of the North Central State College Foundation, Richland County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2022 through June 30, 2023. 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 North Central State College Foundation is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

December 11, 2023

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**NORTH CENTRAL STATE COLLEGE FOUNDATION  
RICHLAND COUNTY  
FOR THE YEAR ENDED JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
North Central State College Foundation

### Opinion

We have audited the accompanying financial statements of North Central State College Foundation (the Foundation) (a nonprofit Foundation), a component unit of North Central State College, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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, 2023, 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.

### Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2023, on our consideration of the Foundation’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
Cincinnati, Ohio  
November 28, 2023



**North Central State College Foundation, Inc.**  
*Statement of Financial Position*  
*As of June 30, 2023*

**ASSETS**

Cash and cash equivalents	\$1,078,984
Investments	6,714,589
Interest in Assets held by Richland County Foundation	350,000
Contributions receivable (net of allowance for uncollectible and accumulated amortization discount)	1,034
Capital Assets, Net	<u>2,007</u>
Total Assets	<u><u>\$8,146,614</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts Payable	<u>\$281,166</u>
Total Liabilities	<u>281,166</u>
Net Assets:	
Without Donor Restrictions	1,059,093
With Donor Restrictions	6,456,355
With Donor Restrictions-Assets held by Richland County Foundation	<u>350,000</u>
Total With Donor Restrictions	6,806,355
Total Net Assets	<u>7,865,448</u>
Total Liabilities and Net Assets	<u><u>\$8,146,614</u></u>

The notes to the financial statements are an integral part of this statement.

**North Central State College Foundation, Inc.**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</u></b>			
Contributions, net of future values and bad debts	\$116,389	\$509,628	\$626,017
Investment income, including realized and unrealized gains and losses, net	237,460	453,378	\$690,838
Fundraising Revenue	55,339	0	\$55,339
Other Revenue	105,527	0	\$105,527
Net assets released from restrictions	539,330	(539,330)	\$0
	<u>1,054,045</u>	<u>423,676</u>	<u>1,477,721</u>
<b><u>EXPENSES</u></b>			
Program Services:			
Scholarships	539,330	0	539,330
Professional development	4,174	0	4,174
Personnel reimbursement	55,553	0	55,553
Supporting Services:			
Management and General	46,320	0	46,320
Fundraising	33,078	0	33,078
	<u>678,455</u>	<u>0</u>	<u>678,455</u>
Changes in Net Assets	375,590	423,676	799,266
Net Assets, Beginning of Year	<u>683,503</u>	<u>6,382,679</u>	<u>7,066,182</u>
Net Assets, End of Year	<u>\$1,059,093</u>	<u>\$6,806,355</u>	<u>\$7,865,448</u>

The notes to the financial statements are an integral part of this statement.

**North Central State College Foundation, Inc.**  
*Statement of Cash Flows*  
For the Fiscal Year Ended June 30, 2023

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<b>Cash Flows from Operating Activities:</b>	
Change in net assets	\$799,266
Adjustments to reconcile net assets to net cash used for operating activities:	
Net investment returns	(690,838)
Decrease in contributions receivable	871
Decrease in emergency loan receivable	488
Increase in accounts payable	250,124
Contributions restricted for investment in endowment	<u>509,628</u>
 Total adjustments	 <u>70,273</u>
 Net cash provided for operating activities	 869,539
<b>Cash flows from investing activities:</b>	
Purchase of investments	(674,565)
Sales of investments	<u>690,838</u>
 Net cash provided by investing activities	 16,273
<b>Cash flows from financing activities:</b>	
Proceeds from contributions restricted for investment in endowment	<u>(509,628)</u>
 Net cash used by financing activities	 <u>(509,628)</u>
 Net increase in cash and cash equivalents	 376,184
Cash and cash equivalents at beginning of year	<u>702,800</u>
Cash and cash equivalents at end of year	<u><u>\$1,078,984</u></u>

The notes to the financial statements are an integral part of this statement.

**North Central State College Foundation, Inc.**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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**1. DESCRIPTION OF THE FOUNDATION**

North Central State College Foundation, Inc. (the Foundation) financial statements have been prepared on an accrual basis of accounting, under the provisions of FASB Accounting Standards Codification (ASC) No. 958 “Not-for-Profit Entities”. The Foundation is a not-for-profit organization established in accordance with Section 501(c) (3) of the Internal Revenue Code. The Foundation operates under a Board of Trustees who is appointed, not to be less than twelve, but not to exceed forty members. The Foundation is organized primarily to engage in activities and programs to provide support and services to the North Central State College (the College).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Contributions and Promises to Give*

Gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restriction. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. The Foundation requires an initial minimum balance of \$10,000 to establish a scholarship fund.

*Financial Statement Presentation*

The Foundation has adopted the provisions of FASB Accounting Standards Codification (ASC) No. 958 *Not-for-Profit Entities*. Under ASC No. 958 the Foundation is required to report information regarding its financial position and activities according to two classes of net assets as follows:

**Without Donor Restrictions**

Net assets that are not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

**With Donor Restrictions**

Net assets that are subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

When a donor restriction expires, that is, when a stipulated time restriction expires or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

*Cash and Cash Equivalents*

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

*Investments*

The Foundation reports investments in marketable securities with readily determined fair values and all investments in debt 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. Investments 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 net assets without or with donor restrictions.

**North Central State College Foundation, Inc.**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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

*Nonfinancial Contributions*

The Foundation has no employees or property (other than cash and investments). Substantially all clerical, accounting and management duties are presently performed by business office personnel who are employees of North Central State College, utilizing equipment and facilities of North Central State College.

For accounting purposes, the value of facilities is considered immaterial and it has not been recognized in the financial statements. The value of the services provided by two College personnel have been recognized in the Statement of Revenues, Expenses, and Changes in Net Assets as personnel reimbursement expenses since the Foundation reimburses the College for employees time spent working for the Foundation.

*Prepaid Expenses*

Certain payments to vendors for fundraising activities reflect costs applicable to future accounting periods and are recorded as prepaid items.

*Capital Assets*

Capital assets acquired by the Foundation consist of office equipment. All expenditures for capital assets in excess of \$1,000 are capitalized. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets not to exceed ten years.

*Deferred Income*

Deferred income results from various fundraising activities. It represents amounts received from sponsors, vendors, and sales of admission tickets in advance. Deferred income is recognized as revenue in the period that the fundraising activity actually occurs.

*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.

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**North Central State College Foundation, Inc.**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

**3. INVESTMENTS**

The various investments in fixed income securities, mutual funds and other investment securities are exposed to various risks, such as interest rate, market fluctuations, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities could occur in the near term and those changes could materially affect the amounts reported in the financial statements.

At June 30, 2023, investments consisted of the following:

	Market / Carrying Value	Maturity					
		Less Than One Year	1-2 years	3-5 years	6-7 Years	Various within Fund	No Maturity
Money Market							
Investments - US							
Government							
Obligations	\$ 545,787	\$ 353,579	\$ 49,385	\$ -	\$ -	\$ 40,507	\$ 102,316
Coporate Bonds	\$ 25,054	\$ -	\$ -	\$ 25,054	\$ -	\$ -	\$ -
Mututal Funds - Fixed							
Income	\$ 484,680	\$ 24,986	\$ -	\$ 9,834	\$ -	\$ 449,860	\$ -
Mututal Funds - Equity							
Securities	\$ 2,455,321	\$ -	\$ -	\$ -	\$ -	\$ 568,649	\$ 1,886,672
Common Stock	\$ 1,149,436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,149,436
ADR / Foreign Equities	\$ 1,716,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,716,269
Perferred Stock	\$ 151,584	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,584
ADR / Foreign Preferred	\$ 125,365	\$ -	\$ -	\$ -	\$ -	\$ 125,365	\$ -
REIT	\$ 32,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,171
Rights and Warrants	\$ 28,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,922
Marketable LLC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Partnerships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 6,714,589</b>	<b>\$ 378,565</b>	<b>\$ 49,385</b>	<b>\$ 34,888</b>	<b>\$ -</b>	<b>\$ 1,184,381</b>	<b>\$ 5,067,370</b>

The Foundation determines the fair market values of its financial instruments based on the fair value hierarchy established in ASC No. 820, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the Foundation's own assumptions based on market data and on assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Standard describes three levels within its hierarchy that may be used to measure fair value:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Inputs: Significant other observable inputs other than Level 1 quoted prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Inputs: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would rise in pricing an asset or liability.

**North Central State College Foundation, Inc.**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

**3. INVESTMENTS (Continued)**

The fair value of investments held by the Foundation at June 30, 2023 is summarized as follows:

Investment Type	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Investments - US Government Obligations	\$ 545,787	\$ -	\$ -
Coporate Bonds	\$ 25,054	\$ -	\$ -
Mututal Funds - Fixed Income	\$ 484,680	\$ -	\$ -
Mututal Funds - Equity Securities	\$ 2,455,321	\$ -	\$ -
Common Stock	\$ 1,149,436	\$ -	\$ -
ADR / Foreign Equities	\$ 1,716,269	\$ -	\$ -
Perferred Stock	\$ 151,584	\$ -	\$ -
ADR / Foreign Preferred	\$ 125,365	\$ -	\$ -
REIT	\$ 32,171	\$ -	\$ -
Rights and Warrants	\$ 28,922	\$ -	\$ -
<b>Total</b>	<b>\$ 6,714,589</b>	<b>\$ -</b>	<b>\$ -</b>

**4. CONTRIBUTIONS RECEIVABLE**

Unconditional promises to give are included in the financial statements as contributions receivable and contributions of 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 estimated future cash flows. The discount rate on those amounts is computed using a risk free interest rate applicable to the years in which the promises are to be received. The discount rate used for the year ended June 30, 2023 was 3.25%. The amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until conditions of those promises have been met.

Contributions receivable consisted of the following at June 30, 2023:

Unconditional promises to give before unamortized discount and allowance for uncollectible contributions:

Without Donor Restrictions	1,205
With Donor Restrictions	0
Gross Unconditional promises to give	1,205
Less: Unamortized Discount	(51)
Less: Allowance for uncollectible contributions	(120)
Amounts due: Less than one year	1,034

**North Central State College Foundation, Inc.**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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**4. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes or periods:

Restricted Time/Purpose	\$ 1,888,493
Richland County Foundation	350,000
Donor restricted endowment - Scholarships For Students	<u>4,567,862</u>
<b>Total</b>	<b><u>\$ 6,806,355</u></b>

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

Scholarships for Students	\$330,882
Grants	0
Other	<u>208,448</u>
Total Released Net Assets	<b><u>\$539,330</u></b>

Net assets with donor restrictions are those whose use by the Foundation has been limited by donors to a specific time period or purpose. They are available for the use of providing scholarships to the College's students, providing professional development funds to the College staff and for purchasing equipment for the benefit of the College.

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**North Central State College Foundation, Inc.**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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**5. NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

The detail of non-endowment donor restrictions are as follows:

<b>Donor Restrictions:</b>	
ADA Ford Educ Aid	\$ 12,615
Alumni Association	4,957
Bennett	3,828
Advancing Diversity	1,787
Crawford County Scholarships	30,607
Cardwell Neer	960
Advancing Women in Leadership	952
Carter Memorial	7,192
Chambers	831
Bush Memorial	1,450
Cobey	1,080
Coleman	3,107
Cress	3,194
Emerson	13,643
Diab	586
Dewald	11,306
Faculty	1,636
Forty Et Eight	5,030
Galion FOP	1,992
Garber	4,563
Gimble - Health Chair	257,654
Gold Memorial	684
G-R Civic	4,188
G-R Rupp	11,318
Grove	2,751
Gubkin	433
Green Women in Leadership	859
Hahn	3,859
Haring	5,964
Jenko	202,313
Hamilton Insurance Group	981
Husted Women Leadership	417
Smith Women Leadership	975
McCullum TFS - Health	14,292
Kroger	6,570
MIMA - Urban Center	2,657
Martin Speech	2,763
Necessities	60,238
Necessities - Crawford	29,691
Necessities - Shelby	32,516
Necessities - Wayne	14,896
Nursing	32,413
Sigenthaler Women Leadership	905
Title III	34,388

**North Central State College Foundation, Inc.**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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**5. NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Orange and Blue	56,259
PTA Fund	3,149
Phillips Fund	14,617
President Ementus	3,700
Phillips E Troop	7,273
Preston	3,058
Scheaffer	1,809
RMC	2,738
Respiratory Care	5,000
Searle - PTA	21,648
Searle - RN	16,153
Welsh	9,666
Tech Prep	1,595
Solt	1,677
Vetter	1,903
Wappner Funeral	1,309
YES Entrepreneur	3,565
ADA Ford Short Term Certificates	10,976
Scholarships (General)	6,662
Gimbel Scholarship	13,852
Gorman Fund	60,113
Henthom	6,030
LPN Cohort	185,279
Mansfield University	9,419
Mohican Nurses	2,363
Peoples Savings & Loan	1,000
Tuition Freedom	166,111
Certificate Program	10,500
CDC Small Steps	13,761
NCSC Student Need Fund	20,969
Student Need Fund	2,438
Crawford Student Need Fund	649
Innovation Fund	302
OJA Conference/Scholarships	3,222
Response Fund	9,535
Double Dollars Campaign	18,810
Equipment	189,731
CC Project Fund	14,308
College Project Fund	17,793
Special Events	25,446
Women's Leadership	808
Restricted Projects	32,113
Workforce	1,090
Urban Center Fund	58,802
Temporarily Restricted Other	16,251
	<u>\$ 1,888,493</u>

**North Central State College Foundation, Inc.**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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**5. NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Donor-Restricted Endowment Fund

The Foundation's endowment fund was established to support scholarships for students. The original contributions to the endowment fund are donor restrictions that stipulate the original principal is to be held and invested by the Foundation indefinitely, and income from the fund is to be expended for scholarships for students. As required by generally accepted accounting principles, net assets associated with the endowment fund are classified and reported based on the existence of donor imposed restrictions.

At June 30, 2023, the endowment fund is composed of the following:

Endowment fund balance	\$4,567,862
Amount required to be invested in perpetuity	<u>4,567,862</u>
Amount available for appropriation	<u><u>\$0</u></u>

**Endowed Scholarships for Students:**

Avita Health	\$ 10,000
ADA Ford Educ Aid	20,000
Alumni Association	27,355
Bennett	23,213
Brown Respiratory Care	12,116
Advancing Diversity	22,522
Crawford City Project Fund	10,675
Cardwell Neer	10,691
Copper	4,336
Advancing Women In Leadership	10,520
Carter Memorial	31,267
Chambers	5,000
Bush Memorial	10,000
Cobey	19,201
Coleman	26,215
Cress	26,800
Emerson	117,566
Diab	18,993
Dewald	118,179
Faculty	13,162
Forty Et Eight	25,000
Galion FOP	13,418
Garber	30,425
Gimble - Health Chair	1,050,000
Gold Memorial	10,000
G-R Civic	22,463
G-R Rupp	56,661
Grove	31,750
Gubkin	11,263

North Central State College Foundation, Inc.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2023

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5. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Green Women in Leadership	9,500
Hahn	15,754
Haring	24,334
Jenko	699,933
Hamilton Insurance Group	10,000
Husted	13,237
Smith Women in Leadership	11,068
McCullum TFS - Health	200,000
Kroger	36,129
MIMA - Urban Center	17,906
Martin Speech	13,259
Necessities	164,342
Necessities - Crawford	54,950
Necessities - Shelby	62,166
Necessities - Wayne	26,275
Nursing	238,138
Siegenthaler Women Leadership	10,000
Title III	150,000
Orange and Blue	403,798
PTA Fund	54,414
Phillips	48,000
President Ementus	20,620
Phillips E Troop	28,973
Plotts Endowment	11,000
Preston	38,235
Sheaffer	11,707
RMC	31,922
Searle - PTA	100,000
Searle - RN	100,804
Welsh	53,678
Tech Prep	20,969
Solt	25,000
Vetter	12,125
Wappner Funeral	20,000
YES Entrepreneur	40,835
	<hr/>
	\$ 4,567,862

Interpretation of UPMIFA: The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") 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

**North Central State College Foundation, Inc.**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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**5. NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

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.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization 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 organization
- (7) The investment policies of the organization

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related temporarily restricted amounts are reported in unrestricted net assets. The Foundation had no such amounts totaled as of June 30, 2023.

The changes in endowment net assets for the year ending June 30, 2023 are as follows:

Endowment net assets, July 1, 2022	\$4,367,624
Contributions	200,238
Investment return net	
Amounts appropriated for expenditure	0
Endowment net assets, June 30, 2023	<u>\$4,567,862</u>

**5. RICHLAND COUNTY FOUNDATION**

During 1991, the Foundation established a "Direct Fund" in which an irrevocable gift was made to the Richland County Foundation. This fund is identified by the Richland County Foundation as the North Central State College Foundation "Endowment Fund" and is subject to the provisions contained within the fund agreement dated December 31, 1991. This fund is the property of the Richland County Foundation, whereby, those funds will be held in perpetuity, and the investment income will be distributed to the Foundation annually to benefit the North Central State College. One of the provisions in this fund agreement, the variance power, concerns the power to vary some of the terms of the agreement. As defined by United States Treasury Regulations, the Richland County Foundation has the right to modify the terms of the fund agreement if in the judgment of the Richland County Foundation's Board of Trustees, the restrictions and conditions in the agreement become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

The portion of this fund contributed by the Foundation is considered a reciprocal transfer because the Foundation is also the beneficiary of this fund. This balance is shown on the Richland County Foundation's Statement of Financial Position as a liability called "Funds Held as Agency Endowments". This amounted to \$350,000 at June 30, 2023.

In addition, the portion of this fund contributed by unrelated third party donors is considered a contribution to the Richland County Foundation and is included in the net assets of Richland County Foundation. The amount recognized in the Statement of Financial Position of the Richland County Foundation at June 30, 2023 totaled \$375,408.

**North Central State College Foundation, Inc.**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

**6. INCOME TAXES**

The Foundation is a not-for-profit corporation as described in Section 501 (c) (3) of the Internal Revenue Code, and the organization is exempt from federal and state income taxes.

**7. RELATED PARTY**

The Foundation is affiliated with the College. During the year ended June 30, 2023, the College provided the Foundation with professional services valued at \$55,553. The value of those services is included as personnel reimbursement expenses in the financial statements since they are reimbursed by the Foundation.

During the year ended June 30, 2023, the Foundation provided scholarships and support to the College of \$539,330.

**8. EXPENSE DISCLOSURES**

	Program Activities			Supporting Activities			Total Expenses	
	Scholarships	Professional Development	Personnel Reimbursement	Program Total	Management and General	Fund-Raising		Supporting Total
Wages and Benefits	0	0	55,553	55,553	0	0	0	55,553
Services and Professional Fees	330,882	0	0	330,882	5,426	0	5,426	336,308
Supplies, Printing, and Postage	0	0	0	0	3,232	0	3,232	3,232
Staff Development	0	4,174	0	4,174	0	0	0	4,174
Software Licenses and Support	0	0	0	0	3,283	0	3,283	3,283
Misc Expense	208,448	0	0	208,448	34,379	33,078	67,457	275,905
<b>Total Expenses</b>	<b>\$539,330</b>	<b>\$4,174</b>	<b>\$55,553</b>	<b>\$599,057</b>	<b>\$46,320</b>	<b>\$33,078</b>	<b>\$79,398</b>	<b>\$678,455</b>

Some categories of expense are attributable to more than one activity and require allocation, applied on a consistent basis.

Wages and benefits are allocated on the basis of employee duties.

Services and Professional Fees are allocated when services are rendered by an outside person or entity outside of the skill set of Foundation employees.

Advertising fees are allocated when print / voice / or social media messaging takes place.

Supplies, printing and postage are allocated as such items are acquired.

Insurance is allocated when premiums are paid

Software licenses and support fees are allocated as annual fees or updates are required.

Depreciation is allocated when capital assets are acquired until the item is fully depreciated.

Miscellaneous expenses are assigned directly to specific activities as expenditures are made.

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**North Central State College Foundation, Inc.**

*Notes to the Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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**9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflect the Foundation's financial assets as of the date of the Statement of Financial Position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the financial statement date.

	<u>2023</u>
Cash and Cash Equivalents	\$1,078,984
Investments	6,714,589
Assets Held by Richland County Foundation	350,000
Contributions Receivable	<u>1,034</u>
	8,144,607
Less amounts unavailable for general expenditures within one year, due to:	
Donor-restricted purpose	2,238,493
Donor-restricted to maintain as an endowment	<u>4,567,862</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$1,338,252</u></u>

As part of the Foundation's liquidity management, the Foundation invests cash in excess of requirements in various types of investments.

**10. SUBSEQUENT EVENTS**

The Foundation has evaluated events occurring between the end of its most recent fiscal year and November 28, 2023, the date the financial statements were issued. No material subsequent events were identified for recognition or disclosure.

**11. NEW ACCOUNTING PRINCIPLE**

The Foundation has implemented ASC 842 Leases as of July 1, 2022. Management has determined that the Foundation does not have any agreements that meet the requirements of ASC 842 therefore no adjustments or changes to disclosures were required.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
North Central 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 North Central State College Foundation (the Foundation) (a nonprofit Foundation), a component unit of North Central State College, which comprise the statement of financial position as of June 30, 2023, 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 November 28, 2023.

**Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

**Report on 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 financial statements. 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
Cincinnati, Ohio  
November 28, 2023

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# OHIO AUDITOR OF STATE KEITH FABER



**NORTH CENTRAL STATE COLLEGE FOUNDATION**

**RICHLAND COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 12/21/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)