

North Central State College Foundation, Inc.

Richland County

Regular Audit

July 1, 2005 through June 30, 2006

Fiscal Year Audited Under GAGAS: 2006

BALESTRA, HARR & SCHERER, CPAs, Inc.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
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www.bhscpas.com



Mary Taylor, CPA
Auditor of State

Board of Trustees
North Central State College Foundation, Inc.
2441 Kenwood Circle
Mansfield, Ohio 44901

We have reviewed the *Report of Independent Accountants* of the North Central State College Foundation, Inc., Richland County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2005 through June 30, 2006. 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, Inc. is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 5, 2007

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

Board of Trustees

As of June 30, 2006

<u>NAME</u>	<u>TERM</u>	
Ronald E. Abrams Ed.D.**	(1998)	<i>Mansfield</i>
Debbie Adams	(2004-07)	<i>Mansfield</i>
Brian W. Bacin	(2004-07)	<i>Mansfield</i>
Juanita J. Carter	(1996-08)	<i>Galion</i>
William T. Cooper	(2000-06)	<i>Mansfield</i>
Bruce M. Cummins	(2000-06)	<i>Mansfield</i>
Bernard S. Deubel	(1999-06)	<i>Mansfield</i>
Robert H. Enskat***	(1995)	<i>Mansfield – Honorary Life</i>
Kim Foster	(2004-07)	<i>Mansfield</i>
Henry R. Fallerius***	(1999)	<i>Mansfield - Honorary Life</i>
George F. "Bud" Frank	(1993-08)	<i>Mansfield</i>
Gayle Gorman Freeman	(1990-07)	<i>Mansfield</i>
Reba M. Gribben	(2000-06)	<i>Mansfield</i>
Arnold B. Haring	(1990-06)	<i>Mansfield</i>
Chriss Harris	(2003-06)	<i>Mansfield</i>
William J. Hartnett***	(1990)	<i>Mansfield - Honorary Life</i>
Edith B. Humphrey*	(1990)	<i>Mansfield</i>
William P. Jilek	(1998-07)	<i>Mansfield</i>
Byron E. Kee Ed.D.***	(1990)	<i>Mansfield - Honorary Life</i>
David M. Kimble	(1996-08)	<i>Crestline</i>
Mark L. Kreinbihl	(1998-07)	<i>Mansfield</i>
Glenn W. McClelland	(2003-08)	<i>Ashland</i>
Rocco D. Manzo, Jr.	(1990-08)	<i>Mansfield</i>
Gunther S. Meisse	(1999-07)	<i>Mansfield</i>
Kevin P. Nestor	(1999-08)	<i>Mansfield</i>
Bradley C. Peffley	(1999-07)	<i>Mansfield</i>
Ralph H. Phillips	(2001-06)	<i>Shelby</i>
Raymond A. Piar	(2002-08)	<i>Mansfield</i>
M. M. Ressallat, M.D.*	(1990)	<i>Galion</i>
Timothy Rowsey	(1990-07)	<i>Ashland</i>
Richard J. Ruehle	(2000-06)	<i>Mansfield</i>
E. Victor Smith	(1993-08)	<i>Galion</i>
Matthew P. Smith *	(2004)	<i>Galion</i>
Rick Taylor	(2004-07)	<i>Mansfield</i>
Gary L. Utt	(2002-08)	<i>Mansfield</i>
John W. Welsh	(1993-08)	<i>Mansfield</i>
Donald G. Wine	(2005-09)	<i>Mansfield</i>
Robert B. Zettler**	(1994)	<i>Mansfield</i>

NORTH CENTRAL STATE COLLEGE FOUNDATION, INC.

Appointed Officials

July 1, 2005 through June 30, 2006

PRESIDENT

David M. Kimble

IMMEDIATE PAST PRESIDENT

John W. Welsh

VICE PRESIDENT FOR ACTIVITIES

Raymond A. Piar

VICE PRESIDENT FOR COMMUNITY RELATIONS

Chriss E. Harris

VICE PRESIDENT FOR INTERNAL RELATIONS

Glenn W. McClelland

VICE PRESIDENT FOR RESOURCE DEVELOPMENT

William P. Jilek

SECRETARY

Mehdi M. Ressallat

TREASURER

William C. Miller, Jr.**

EXECUTIVE DIRECTOR

Adina J. Mentzer

*College Board of Trustee Appointee

**Member College President's Staff

***Honorary Life Trustee

LEGAL COUNSEL

Weldon, Huston & Keyser

David D. Carto

Bank One Building Eighth, Ninth and Tenth Floors

28 Park Avenue West

Mansfield, OH 44902-1692

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Ohio Society of Certified Public Accountants

Board of Trustees

North Central State College Foundation, Inc.

2441 Kenwood Circle

Mansfield, Ohio 44903

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of financial position of the North Central State College Foundation, Inc. (the Foundation), a component unit of the North Central State College, as of June 30, 2006, 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 the 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 Foundation as of June 30, 2006, and the changes in net assets and 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 our report dated November 10, 2006 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 report and compliance and the results of that testing, and not to provide an opinion on the internal control or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Balestra, Harr & Scherer, CPAs, Inc.

November 10, 2006

North Central State College Foundation, Inc.
Statement of Financial Position
As of June 30, 2006

ASSETS

Cash and cash equivalents	\$	180,359
Investments		1,709,597
Interest in Assets held by Richland County Foundation		250,000
Contributions receivable (net of allowance for uncollectible and accumulated amortization discount)		42,603
Prepaid Expense		15,469
Emergency Loan Receivable		1,978
		1,978
Total Assets	\$	2,200,006

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts Payable	\$	267,394
Deferred Income		11,614
		11,614
Total Liabilities		279,008
Net Assets:		
Unrestricted		638,490
Temporarily Restricted		116,586
Temporarily Restricted-Assets held by Richland County Foundation		250,000
		250,000
Total Temporarily Restricted		366,586
Permanently Restricted		915,922
		915,922
Total Net Assets		1,920,998
Total Liabilities and Net Assets	\$	2,200,006

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, 2006

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</u>				
Contributions	\$ 20,044	\$ 101,046	\$ 31,249	\$ 152,339
Investment income, including realized and unrealized gains and losses, net	40,836	26,056	15,083	81,975
Richland County Foundation Revenue	33,939	-	-	33,939
Fundraising Revenue	163,786	9,579	14,016	187,381
Other Revenue	7,000	-	-	7,000
Net assets released from restrictions	118,560	(118,560)	-	-
	<u>384,165</u>	<u>18,121</u>	<u>60,348</u>	<u>462,634</u>
<u>EXPENSES</u>				
Program Services:				
Scholarships	67,048	-	-	67,048
Entrepreneur Hall of Fame	12,814	-	-	12,814
Personnel reimbursement	49,935	-	-	49,935
Management and General:				
Investment Expense	5,212	5,344	38	10,594
Fundraising	133,028	-	-	133,028
Materials and Supplies	10,633	-	-	10,633
Equipment	50,000	-	-	50,000
Outreach Fund	2,460	-	-	2,460
Other Expense	14,557	-	-	14,557
	<u>345,687</u>	<u>5,344</u>	<u>38</u>	<u>351,069</u>
Total Expenses	345,687	5,344	38	351,069
Changes in Net Assets	38,478	12,777	60,310	111,565
Net Assets, Beginning of Year	<u>600,012</u>	<u>353,809</u>	<u>855,612</u>	<u>1,809,433</u>
Net Assets, End of Year	<u>\$ 638,490</u>	<u>\$ 366,586</u>	<u>\$ 915,922</u>	<u>\$ 1,920,998</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, 2006

Cash Flows from Operating Activities:	
Change in net assets	\$ 111,565
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in contributions receivable	39,562
Increase in emergency loan receivable	(122)
Decrease in prepaid expenses	23,440
Decrease in accounts payable	(97,943)
Decrease in deferred revenue	(4,776)
Contributions restricted for investment in endowment	(60,310)
Net unrealized and realized gains on investments	<u>(69,584)</u>
Total adjustments	<u>(169,733)</u>
Net cash (used for) operating activities	(58,168)
Cash flows from financing activities:	
Proceeds from contributions restricted for investment in endowment	<u>60,310</u>
Net cash provided by financing activities	<u>60,310</u>
Net increase in cash and cash equivalents	2,142
Cash and cash equivalents at beginning of year	<u>178,217</u>
Cash and cash equivalents at end of year	<u><u>\$ 180,359</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, 2006

1. DESCRIPTION OF THE FOUNDATION

North Central State College Foundation, Inc. (the Foundation) financial statements have been prepared on an accrual basis of accounting. 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

The Foundation reports contributions in accordance with Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. SFAS No. 116 requires that unconditional promises to give, with payments due in future periods, be recorded as receivables and support in either unrestricted, temporarily restricted, or permanently restricted net assets as appropriate in the period received at their net present value. The accumulated discount of net present value of the pledge is accounted for as contribution income of the related class of net assets. Conditional promises to give are not recorded as support until the condition upon which they depend has been substantially met by the Foundation.

Financial Statement Presentation

SFAS No. 117, *Financial Statements of Not-For-Profit Organizations*, requires that the amounts for each of three classes of net assets: unrestricted, temporarily restricted and permanently restricted, be presented in an aggregated statement of financial position and that the amounts of changes in each of those classes of net assets be presented in a statement of activities. This statement requires that resources be classified into three net asset categories according to donor-imposed restrictions. A description of each of the categories is as follows:

Unrestricted Net Assets

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

Temporarily Restricted Net Assets

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

Permanently Restricted Assets

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

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

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 accordance with SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. 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 of the unrestricted, temporarily restricted, and permanently restricted funds are pooled for making investment transactions and are carried at market value. Interest and dividend income, as well as realized and unrealized gains and losses, are allocated to unrestricted, temporarily restricted, and permanently restricted funds.

North Central State College Foundation, Inc.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Service and Facilities

The Foundation has no employees or property (other than cash and investments). Substantially all clerical 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. However, the value of the services provided by College personnel in the amount of \$260 have been recognized in the Statement of Activities as other supporting revenue and as other supporting expenses as required by SFAS 116.

Contributions Receivable

Contributions received, including unconditional promises to give, are recognized as revenue by net asset class when the donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances (fair value). Promises designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted. Conditional promises are recorded when donor stipulations are substantially met. The Foundation requires an initial minimum balance of \$5,000 to establish a scholarship fund. The policy allows a period, generally not to exceed 48 months, for the accumulation of contributions and interest to meet the minimum \$5,000 requirement.

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. All capital assets of the Foundation are fully depreciated.

Deferred Revenue

Deferred revenue results from various fundraising activities. It represents amounts received from sponsors, vendors, and sales of admission tickets in advance. Deferred revenue 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.

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.

North Central State College Foundation, Inc.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2006

3. INVESTMENTS (Continued)

At June 30, 2006, investments consisted of the following:

	Carrying Value	Market Value
Money Market Investments –		
U.S. Government Obligations	\$94,312	\$94,312
Mutual Funds - Fixed Income Corporations	482,103	482,103
Mutual Funds - Equity Securities	1,133,182	1,133,182
Total	<u>\$1,709,597</u>	<u>\$1,709,597</u>

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, 2006 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, 2006:

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

Unrestricted	\$625
Temporarily restricted	37,250
Permanently restricted	11,000
Gross unconditional promises to give	48,875
Less: Unamortized discount	(1,385)
Less: Allowance for uncollectible contributions	(4,887)
Net unconditional promises to give	<u>\$42,603</u>
Amounts due:	
Less than one year	\$32,143
One to five years	10,460
Net unconditional promises to give	<u>\$42,603</u>

5. TEMPORARILY RESTRICTED NET ASSETS

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

Scholarships for Students	\$67,048
Equipment	50,000
Professional Development	1,512
Total Released Net Assets	<u>\$118,560</u>

Temporarily and permanently restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. Temporarily restricted net assets are available for providing scholarships to the College's students, providing professional development funds to the College staff and purchasing equipment for the benefit of the College. Permanently restricted net assets are restricted to investment in perpetuity and the income from which is expendable for scholarships to the College's students.

North Central State College Foundation, Inc.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2006

5. TEMPORARILY RESTRICTED NET ASSETS (Continued)

The different types of temporarily restricted net assets are classified as follows:

<u>Scholarships for Students:</u>	
Brown Scholarship	\$500
Carter Memorial Scholarship	246
Cobey Scholarship	900
Computer Center	1,492
Emerson Scholarship	4,500
Equipment	6,603
Faculty Scholarship	9,000
FYE Textbooks	4,000
G-R Civic Scholarship	900
Garber Scholarship	1,200
Gimbel-Health Chair	5,067
Gimble Scholarships	10,452
Gorman-Rupp Scholarship	6,000
Gubkin Scholarship	800
Kroger Scholarship	1,000
Haring Scholarship	2,000
KMU Scholarship	550
Mansfield University	4,169
Nursing Scholarship	11,000
Orange and Blue Scholarship	3,000
Paralegal Library	321
Pres Emeritus Scholarship	1,000
Preston Scholarship	1,450
Professional Development	880
Rable Machine Scholarship	166
Welsh Scholarship	2,550
Tech Prep	3,710
YES Scholarship	3,000
Other	30,130
Richland County Foundation	250,000
Total Temporarily Restricted	<u><u>\$366,586</u></u>

North Central State College Foundation, Inc.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2006

6. PERMANENTLY RESTRICTED NET ASSETS

Endowment Scholarships for Students:

Brown Scholarship	\$6,451
Carter Memorial Endowment	20,047
Cobey Scholarship	21,888
Emerson Scholarship	103,874
Faculty Scholarship	11,061
G-R Civic Scholarship	21,747
Garber Scholarship	30,876
Gimble Health Chair	136,893
Gorman-Rupp Scholarship	57,373
Gubkin Scholarship	7,207
Haring Scholarship	22,471
KMU Scholarship	6,275
Kroger Scholarship	34,044
NCOBDC Scholarship	2,296
Neer Scholarship	2,424
Nursing Scholarship	235,181
Orange and Blue Scholarship	66,880
Presidents Emeritus Endowment	16,632
Preston Endowment	32,273
Respiratory Care Endowment	1,193
Welsh Scholarship	52,202
Williams Human Services Fund	1,104
Entrepreneur Endowment (Y.E.S.)	17,942
Restricted Contributions	<u>7,588</u>
Total Permanently Restricted	<u>\$915,922</u>

7. 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.

In accordance with SFAS No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*, 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 \$250,000 at June 30, 2006.

North Central State College Foundation, Inc.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2006

7. RICHLAND COUNTY FOUNDATION (Continued)

Also, under SFAS No. 136, 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 the Richland County Foundation. The amount recognized in the Statement of Financial Position of the Richland County Foundation at June 30, 2006 totaled \$288,178.

8. 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.

BALESTRA, HARR & SCHERER, CPAs, INC.

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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*

Board of Trustees
North Central State College Foundation, Inc.
2441 Kenwood Circle
Mansfield, Ohio 44903

We have audited the accompanying financial statements of the North Central State College Foundation, Inc. (the Foundation), a component unit of the North Central State College, as of and for the year ended June 30, 2006, and have issued our report thereon dated November 10, 2006. 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 Foundation's internal control over financial reporting in order to determine auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion 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 reportable 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 caused by error or fraud 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.

Compliance and Other Matters

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 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*.

We noted certain matters which we reported to management of the Foundation in a separate letter dated November 10, 2006.

This report is intended solely for the information and use of the audit committee, management, members of the Board, and is not intended to be and should not be used by anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

November 10, 2006



Mary Taylor, CPA
Auditor of State

NORTH CENTRAL STATE COLLEGE FOUNDATION, INC.

RICHLAND 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
FEBRUARY 15, 2007**