SINCLAIR COMMUNITY COLLEGE FOUNDATION
Dayton, Ohio

FINANCIAL STATEMENTS
December 31, 2009 and 2008

Mary Taylor, CPA
Auditor of State

Board of Trustees
Sinclair Community College Foundation
444 West Third Street
Dayton, Ohio 45402

We have reviewed the *Independent Auditors' Report* of the Sinclair Community College Foundation, Montgomery County, prepared by Crowe Horwath LLP, for the audit period January 1, 2009 through December 31, 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 Sinclair Community College Foundation is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 27, 2010

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SINCLAIR COMMUNITY COLLEGE FOUNDATION
Dayton, Ohio

FINANCIAL STATEMENTS
December 31, 2009 and 2008

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REPORT OF INDEPENDENT AUDITORS

Board of Trustees
Sinclair Community College Foundation
Dayton, Ohio

We have audited the accompanying statements of financial position of Sinclair Community College Foundation (the "Foundation"), a not-for-profit component unit of Sinclair Community College, as of December 31, 2009 and the related statement of activities and change in net assets and cash flows for the year then ended. These financial statements are the responsibility of Sinclair Community College Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Foundation as of December 31, 2008 were audited by other auditors whose report dated June 8, 2009 expressed an unqualified opinion on those statements.

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 Sinclair Community College Foundation as of December 31, 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 our report dated June 9, 2010, 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 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 results of our audit.

(Continued)

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Foundation, taken as a whole. The accompanying schedule of functional expenses is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This schedule is the responsibility of the management of the Foundation. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio
June 9, 2010

SINCLAIR COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2009 and 2008

	2009	2008
ASSETS		
Cash and cash equivalents	$ 608,624	$ 506,014
Investments		
Fixed income security funds	7,688,641	6,627,710
Equity funds	14,786,511	12,858,353
Venture capital funds	444,282	445,882
Total investments	22,919,434	19,931,945
Accounts receivable	11,119	13,441
Pledges receivable, net of allowances of $16,113 and $22,722 at December 31, 2009 and 2008, respectively	1,004,026	1,327,859
Total assets	$ 24,543,203	$ 21,779,259
LIABILITIES AND NET ASSETS		
Liabilities		
Payable to Sinclair Community College	$ 499,147	$ 232,127
Other payables	20,000	-
Total liabilities	519,147	232,127
Net assets		
Unrestricted	15,013,536	11,922,486
Temporarily restricted	4,033,884	4,798,338
Permanently restricted	4,976,636	4,826,308
Total net assets	24,024,056	21,547,132
Total liabilities and net assets	$ 24,543,203	$ 21,779,259

See accompanying notes to financial statements

SINCLAIR COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years ended December 31, 2009 and 2008

	2009				2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support:								
Contributions	$ 278,571	$ 1,047,912	$ 101,746	$ 1,428,229	$ 273,547	$ 823,381	$ 132,916	$ 1,229,844
Interest/dividends, net of fund expenses of $44,046 in 2009 and $43,470 in 2008	(27,611)	(4,182)	(379)	(32,172)	(6,647)	(1,163)	-	(7,810)
Net realized/unrealized gains (losses) on investments	3,568,225	545,344	48,961	4,162,530	(5,832,567)	(931,047)	-	(6,763,614)
Net assets released from restrictions	2,353,528	(2,353,528)	-	-	1,541,155	(1,541,155)	-	-
Total revenue and support	6,172,713	(764,454)	150,328	5,558,587	(4,024,512)	(1,649,984)	132,916	(5,541,580)
Expenses:								
Scholarships	497,243	-	-	497,243	845,889	-	-	845,889
Project support	2,400,065	-	-	2,400,065	1,633,440	-	-	1,633,440
Operating expenses	184,355	-	-	184,355	158,410	-	-	158,410
Total expenses	3,081,663	-	-	3,081,663	2,637,739	-	-	2,637,739
Change in net assets	3,091,050	(764,454)	150,328	2,476,924	(6,662,251)	(1,649,984)	132,916	(8,179,319)
Net assets, beginning of year	11,922,486	4,798,338	4,826,308	21,547,132	18,584,737	6,448,322	4,693,392	29,726,451
Net assets, end of year	$15,013,536	$ 4,033,884	$4,976,636	$24,024,056	$11,922,486	$4,798,338	$4,826,308	$21,547,132

See accompanying notes to financial statements.

SINCLAIR COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
Years ended December 31, 2009 and 2008

	2009	2008
Cash flows from operating activities		
Change in net assets	$ 2,476,924	$ (8,179,319)
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized/unrealized loss (gain) on investments	(4,162,530)	6,763,614
Contributions and investment income restricted for long-term investment	(150,328)	(132,916)
Change in assets and liabilities		
Accounts receivable	2,322	(2,891)
Pledges receivable	323,833	592,042
Payable to Sinclair Community College	267,020	220,340
Other payables	20,000	(60,000)
Net cash used in operating activities	(1,222,759)	(799,130)
Cash flows from investing activities		
Proceeds from sale of investments	1,951,747	5,069,427
Purchase of investments	(776,706)	(4,141,869)
Net cash provided by investing activities	1,175,041	927,558
Cash flows from financing activities		
Contributions restricted for endowments	101,746	132,916
Investment income restricted for endowments	48,582	-
Net cash from financing activities	150,328	132,916
Net change in cash and cash equivalents	102,610	261,344
Cash and cash equivalents at beginning of year	506,014	244,670
Cash and cash equivalents at end of year	$ 608,624	$ 506,014

See accompanying notes to financial statements.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Organization: The Sinclair Community College Foundation (the "Foundation") was established in 1969 for the sole purpose of providing scholarships and other financial assistance to Sinclair Community College (the "College") and its students. Revenue sources for the Foundation are private gifts from individuals, businesses and other foundations and investment income. The Foundation is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Basis of presentation: The Foundation classifies net assets, revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. These classifications are permanently restricted, temporarily restricted, and unrestricted net assets.

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 may or will be met either by actions of the Foundation and/or 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 these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Cash and Cash Equivalents: The Foundation considers all highly liquid investments with maturity of three months or less at the time of purchase, including money market accounts which are recorded at fair value, to be cash equivalents.

Investments: Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. Fixed income funds are stated at fair value and are based on the funds' net asset value as supplied by the fund manager. Venture capital funds are recorded at cost. Other investments, if acquired by gift, are recorded at fair value at the date of the gift.

The Foundation utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities could result in the subsequent values of investment securities differing materially from the amounts reported in the statement of financial position.

Realized and unrealized gains and losses on all investments are recorded in the period earned. Such amounts are recorded as changes in unrestricted net assets to the extent there are no donor-imposed restrictions limiting the use of these gains and losses. If donor-imposed restrictions exist, such amounts are reported as changes to temporarily restricted or permanently restricted net assets, depending upon the nature of the restriction.

(Continued)

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions: Contributions are recognized and reported as revenue at fair value upon the earlier of the period in which a pledge becomes unconditional or the period in which the contribution is received. Contributions with donor-imposed restrictions are reported as temporarily or permanently restricted support, while contributions without donor-imposed restrictions are reported as unrestricted support.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2009 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2009. Management has performed their analysis through June 9, 2010.

Reclassifications: Certain reclassifications have been made to 2008 footnote disclosures to conform to those used in 2009.

NOTE 2 – INVESTMENTS

Costs of investments at December 31, 2009 and 2008 are summarized as follows:

	2009	2008
Fixed income security funds	$ 5,396,092	$ 4,635,937
Equity funds	13,254,890	14,859,206
Venture capital funds	444,282	445,882
	$ 19,095,264	$ 19,941,025

The fixed income security and equity fund investments recorded net realized gains of $320,186 and $1,528,360 for the years ended December 31, 2009 and 2008, respectively. The venture capital fund investments recorded net realized gains of $9,095 and net realized losses of $10,693 for the years ended December 31, 2009 and 2008, respectively.

Accounting Standards Codification (“ASC”) 820, *Fair Value Measurement*, defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Foundation’s principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

(Continued)

NOTE 2 – INVESTMENTS (Continued)

ASC Topic 820 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: 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: Significant other observable inputs other than Level 1 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: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair values of some equity funds are determined by obtaining quoted market prices of similar securities with similar due dates (Level 2 inputs).

Certain equity funds and the fixed income security funds have observable inputs and market activity that allow for pricing based on the fund manager indirectly pricing the individual bonds held by the fund on December 31, 2009 by comparing them to bonds with similar characteristics that were actively traded on that date. Because the funds' shares are not actively traded, management considers these investments to be valued using Level 3 inputs.

Investments that are reported in the fund managers' audited financial statements as Level 1 are classified as Level 2 here, and correspondingly the fund managers' reported Level 2 investments are classified as Level 3 here. For example, the Foundation's Level 2 investments consist of shares owned in two mutual funds, an S&P 500 large cap index fund and S&P 400 mid cap index fund. The fund manager directly priced the individual stocks held by these funds on December 31, 2009 and classified those stocks as Level 1 investments in its audit report. However, because the funds' shares are not actively traded and the Foundation relied on information obtained from the fund manager, including its audited financial statements, to determine fair values, the Foundation has classified its investments in the funds as Level 2.

The Foundation's Level 3 investments include several types. A representative example is that of shares owned in a bond mutual fund. The fund manager indirectly priced the individual bonds held by the fund on December 31, 2009 by comparing them to bonds with similar characteristics that were actively traded on that date and classified its bonds as Level 2 investments in its audit report. Because the Foundation then relied on information from the fund manager as described above to determine fair value, the Foundation has classified its investment in the fund as Level 3.

(Continued)

NOTE 2 – INVESTMENTS (Continued)

The reported fair values of the Foundation's investments in fixed income security funds and equity funds are based on inputs from the various fund managers and are presented by caption and by level in the tables below.

	Fair Value Measurements at December 31, 2009 Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Fixed income security funds	$ -	$ -	$ 7,688,641	$ 7,688,641
Equity funds	-	11,058,199	3,728,312	14,786,511
Total	$ -	$11,058,199	$11,416,953	$22,475,152

	Fair Value Measurements at December 31, 2008 Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Fixed income security funds	$ -	$ -	$ 6,627,710	$ 6,627,710
Equity funds	-	9,733,610	3,124,743	12,858,353
Total	$ -	$ 9,733,610	$ 9,752,453	$19,486,063

(Continued)

NOTE 2 – INVESTMENTS (Continued)

The tables below present a reconciliation and income statement classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2009 and 2008:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Fixed Income Security Funds	Equity Funds	Total
Beginning balance, January 1, 2009	$ 6,627,710	$ 3,124,743	$ 9,752,453
Total gains or losses (realized/unrealized)	304,696	849,637	1,154,333
Purchases/redemptions	756,235	(246,068)	510,167
Ending balance, December 31, 2009	$ 7,688,641	$ 3,728,312	$ 11,416,953

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Fixed Income Security Funds	Equity Funds	Total
Beginning balance, January 1, 2008	$ 8,957,935	$ 2,334,066	$ 11,292,001
Total gains or losses (realized/unrealized)	415,572	(1,378,111)	(962,539)
Purchases/redemptions	(2,745,797)	2,571,786	(174,011)
Transfers in or out of Level 3	-	(402,998)	(402,998)
Ending balance, December 31, 2008	$ 6,627,710	$ 3,124,743	$ 9,752,453

The amount of unrealized gains and losses recognized in the tables above that relate to investments still held at December 31, 2009 and 2008, total $1,151,898 and $(1,708,924), respectively and are reported in net realized/unrealized gains (losses) on investments on the statements of activities.

NOTE 3 – PLEDGES RECEIVABLE

As the collection of pledges is estimated to be probable, the Foundation recorded a receivable of $1,004,026 and $1,327,859, representing the present value of those pledges receivable at December 31, 2009 and 2008, respectively. The fair value of pledges due within one year approximates its carrying value due to the short-term nature of the receivable. The remaining receivables have been discounted to reflect the present value of expected future cash flows using discount rates ranging from 2 - 5%.

Pledges receivable at December 31, 2009 and 2008 are summarized as follows:

	2009	2008
Less than one year	$ 465,181	$ 521,683
One to five years	580,484	879,521
	1,045,665	1,401,204
Allowance for doubtful accounts	(16,113)	(22,722)
Discount	(25,526)	(50,623)
	$ 1,004,026	$ 1,327,859

NOTE 4 – NET ASSETS

Unrestricted Net Assets: Unrestricted net assets represent funds which can be used by the Foundation for any purpose authorized by the Board of Trustees.

Temporarily Restricted Net Assets: Temporarily restricted net assets represent funds which are restricted for a specific purpose determined by the donor. The Foundation maintains separate balances in its accounting records to account for the amounts available for such restricted purposes. Net assets released from donor restrictions as of December 31, 2009 and 2008, were as follows:

	2009	2008
Scholarships	$ 233,335	$ 369,552
Project support	2,065,655	1,127,019
Operating fee	54,538	44,584
	$ 2,353,528	$ 1,541,155

(Continued)

NOTE 4 – NET ASSETS (Continued)

Permanently Restricted Net Assets: Permanently restricted net assets are restricted to investment in perpetuity as endowment funds. The endowment funds represent contributions for which the donor has stipulated, as a condition of the gift, that the principal be maintained intact and only the investment income (or portions thereof) of the funds be expended as the donor has specified, principally for scholarships and student financial aid. Such investment income is recognized as income in temporarily restricted net assets or unrestricted net assets in accordance with donor stipulations when it is earned.

The following summarizes the programs supported by net assets of the Foundation at December 31, 2009 and 2008:

	2009		
	Temporarily Restricted	Permanently Restricted	Totals
Scholarships	$ 1,784,917	$ 3,243,536	$ 5,028,453
Project support	2,248,967	1,349,891	3,598,858
Undesignated	-	383,209	383,209
Total funds	$ 4,033,884	$ 4,976,636	$ 9,010,520

	2008		
	Temporarily Restricted	Permanently Restricted	Totals
Scholarships	$ 1,636,501	$ 3,131,474	$ 4,767,975
Project support	3,161,837	1,311,625	4,473,462
Undesignated	-	383,209	383,209
Total funds	$ 4,798,338	$ 4,826,308	$ 9,624,646

(Continued)

NOTE 5 – ENDOWMENT COMPOSITION

The Foundation's endowment primarily consists of funds held by BlackRock Institutional Trust Company, N.A. Its endowment includes donor-restricted endowment funds. As required by applicable standards, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition by type of fund as of December 31, 2009 and 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Donor-restricted endowment funds - 2009	$ (15,222)	$ 4,033,884	$ 4,976,636	$ 8,995,298
Donor-restricted endowment funds - 2008	$ (452,131)	$ 4,798,338	$ 4,826,308	$ 9,172,515

Changes in endowment net assets for year ended December 31, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Net assets, beginning of year	$ (452,131)	$ 4,798,338	$ 4,826,308	$ 9,172,515
Investment return				
Investment income, net		(4,182)	(379)	(4,561)
Net appreciation (realized and unrealized gains/losses)	436,909	545,344	48,961	1,031,214
Total investment return	436,909	541,162	48,582	1,026,653
Contributions		1,047,912	101,746	1,149,658
Appropriation of endowment assets for expenditure	2,353,528	(2,353,528)	-	-
Expenses	(2,353,528)	-	-	(2,353,528)
Net assets, end of year	$ (15,222)	$ 4,033,884	$ 4,976,636	$ 8,995,298

(Continued)

NOTE 5 – ENDOWMENT COMPOSITION (Continued)

Changes in endowment net assets for year ended December 31, 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Net assets, beginning of year	$ -	$ 6,448,322	$ 4,693,392	$ 11,141,714
Investment return				
Investment income, net		(1,163)		(1,163)
Net appreciation (realized and unrealized gains/losses)	(452,131)	(931,047)		(1,383,178)
Total investment return	(452,131)	(932,210)		(1,384,341)
Contributions		823,381	132,916	956,297
Appropriation of endowment assets for expenditure	1,541,155	(1,541,155)		
Expenses	(1,541,155)			(1,541,155)
Net assets, end of year	$ (452,131)	$ 4,798,338	$ 4,826,308	$ 9,172,515

Interpretation of Relevant Law: The Board of Trustees of the Foundation interprets the Ohio Uniform Prudent Management of Institutional Funds Act ("UPMIFA") to require consideration (except as otherwise provided by the donor in a gift instrument) of the following factors, if relevant, in making management and investment decisions for donor-restricted endowment funds:

(a) The duration and preservation of the endowment fund

(b) The purposes of the Foundation and donor-restricted endowment fund

(c) The investment policy of the Foundation

(d) General economic conditions

(e) The possible effect of inflation or deflation

(f) The expected tax consequence, if any, of investment decisions or strategies

(g) The role that each investment or course of action plays within the overall investment portfolio of the fund

(h) The expected total return from income and the appreciation of investments

(i) Other resources of the Foundation

(j) The need of the Foundation and of the fund to make distributions and preserve capital

(k) An asset's special relationship or special value, if any, to the charitable purpose of the Foundation

(Continued)

NOTE 5 – ENDOWMENT COMPOSITION (Continued)

Foundation Board policy requires the preservation of the fair value of the original gift as the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. 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.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved primarily through capital appreciation (realized and unrealized). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation intends to hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the rate of inflation (the Consumer Price Index) by three (3) percentage points over time on an annualized basis while assuming a moderate level of investment risk.

Spending Policy: The Foundation has a policy of appropriating of distribution each year up to 5 percent of its endowment funds' three-year moving average fair value, calculated on a monthly basis, through the calendar year-end preceding the year in which the distribution is planned.

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. Such amounts totaled $15,222 and $452,131 for the years ending December 31, 2009 and 2008, respectively. These deficiencies resulted from unfavorable market fluctuations.

NOTE 6 – TRANSACTIONS WITH SINCLAIR COMMUNITY COLLEGE

The Foundation processes payments through and maintains accounting and donor records on the computer systems of the College. The College allocates the cost of accounting, donor database management, and computer system support to the Foundation. The College also allocates certain donor development staff costs to the Foundation. Such allocations amounted to $97,977 and $101,866 for the years ended December 31, 2009 and 2008, respectively.

(Continued)

NOTE 7 – DONATED EQUIPMENT AND MATERIALS

The Foundation receives donations of equipment and materials which are passed on to the College for various educational uses. For the years ended December 31, 2009 and 2008, these donations were valued at $122,265 and $176,640, respectively, and were reported as unrestricted contribution revenue and project support expense.

NOTE 8 – FUND-RAISING COSTS

Operating expenses include fund-raising costs of $18,183 and $26,516 for the years ended December 31, 2009 and 2008, respectively.

NOTE 9 – LIFE SETTLEMENT CONTRACTS

As a result of donor bequests, the Foundation is the owner and beneficiary of two life insurance policies with a combined carrying value of $215,000 and a combined face value of $1,068,000. The carrying values are reported in pledges receivable. Both policies are paid in full. The Foundation does not expect to receive any proceeds from these policies within the next five years.

SUPPLEMENTARY INFORMATION

REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Sinclair Community College Foundation and
Mary Taylor, Auditor of State
Dayton, Ohio

We have audited the financial statements of Sinclair Community College Foundation (the "Foundation") as of and for the year ended December 31, 2009, which collectively comprise the Foundation's basic financial statements and have issued our report thereon dated the same date as this report. 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 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 on 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 was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

(Continued)

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.*

This report is intended for the information of the Board of Trustees, management, and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio
June 9, 2010

SINCLAIR COMMUNITY COLLEGE FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
Year ended December 31, 2009

	Program Services	Management and General	Fundraising	Total
Scholarships and project support	$ 2,897,308	$ -	$ -	$ 2,897,308
Salaries and related expenses	-	92,977	-	92,977
Fundraising consultant fees	-	36,750		36,750
Accounting fees	-	5,000	-	5,000
Legal fees	-	3,102	-	3,102
Supplies	-	-	3,132	3,132
Software maintenance	-	7,439	-	7,439
Printing and publications	-	-	8,536	8,536
Annual audit	-	19,494	-	19,494
Receptions	-	877	6,515	7,392
State registration fees	-	200	-	200
Checking account fees	-	333	-	333
Total functional expenses	$ 2,897,308	$ 166,172	$ 18,183	$ 3,081,663

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Mary Taylor, CPA
Auditor of State

SINCLAIR COMMUNITY COLLEGE FOUNDATION

MONTGOMERY 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
OCTOBER 12, 2010

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