Clark State Community College

Financial Statements

June 30, 2013 and 2012

(with Independent Auditors' Report)

CLARK SCHAEFER HACKETT
STRENGTH IN NUMBERS

Board of Trustees
Clark State Community College
570 East Leffel Lane
P.O. Box 570
Springfield, Ohio 45505

We have reviewed the *Report of Independent Auditors* of the Clark State Community College, Clark County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2012 through June 30, 2013. 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 Clark State Community College is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

November 1, 2013

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CLARK SCHAEFER HACKETT
STRENGTH IN NUMBERS

REPORT OF INDEPENDENT AUDITORS

Board of Trustees
Clark State Community College
Springfield, Ohio

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Clark State Community College (the “College”), a component unit of the State of Ohio, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements
Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States’ *Government Auditing Standards*. Those standards require us to plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Government’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Government’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management’s accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type and discretely presented component unit of the College, as of June 30, 2013 and 2012, and the respective changes in financial position and, where applicable its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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STRENGTH IN NUMBERS

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The schedules of the Board of Trustees and the Administrative Personnel are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. That schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedules of the Board of Trustees and the Administrative Personnel have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2013 on our consideration of the College's internal control over financial reporting and on 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 College's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
October 15, 2013

This section of the Clark State Community College ("College") annual financial report presents an overview of its financial condition and assists readers in focusing on significant financial issues of the College for the fiscal year ended June 30, 2013.

This discussion has been prepared by management and should be read in conjunction with, and is qualified in its entirety by the accompanying financial statements and footnotes. The discussion and analysis is designed to focus on current activities, resulting change, and current known facts. The financial statements, footnotes, and this discussion are the responsibility of management.

FINANCIAL AND OTHER COLLEGE HIGHLIGHTS

Assets

- Equity in pooled cash and cash equivalents increased by $1,627,000 (12.3%) primarily due to cash generated from student tuition and fees, federal grants and contracts, and state appropriations.

- Investments include funds on deposit with Huntington National Bank (HNB) as trustee for the 2010 bond issuance. Funds are remitted monthly but paid out by HNB semi-annually.

- Net accounts receivable increased by $224,000 (5.9%). Student receivables net of allowance for doubtful accounts increased $221,000. Last year's increase was $342,000.

- Prepaid Expenses decreased by $154,000 (33.6%) because of the timing of payment for a software maintenance contract. It was paid in June for FY 2012 and July for FY 2013.

- Net capital assets decreased by $1.2 million (2.6%) as a result of capitalizing increases in land, equipment/vehicles, and construction in progress (Student Success Center). These increases were offset by an increase in accumulated depreciation.

Liabilities and Net Position

- Accounts payable increased by $248,000 (34.0%) largely due to a capital appropriation payable to the architect for the Student Success Center.

- Note payable (current portion) and interest payable represents amounts due during FY 2014 on the 2010 bond issuance to purchase the Greene Center and 2006 bond issuance to construct the Landess Technology and Learning Center.

- Wages payable increased by $313,000 (40.8%) as a result of summer 2013 adjunct faculty wages.

- Accrued payroll and tax liabilities decreased by $60,000 (16.6%) due to the fact that there were two payrolls in June 2013 (versus three payrolls in June 2012) and tax liability payments are submitted in July.

- Unearned revenue decreased by $1.1 million (75.1%) due to the change in accounting for summer term. Summer term has always been accounted for as the first academic term of the fiscal year. However, beginning in FY 2013 summer term will now be the last academic term of the fiscal year. This change was required as a result of converting to the semester academic calendar. Five of the eight weeks of the 2013 summer term fell in FY 2013. All drop/refund periods for student tuition and fees ended during FY 2013.

- Notes payable (less current portion) decreased by $610,000 (3.9%) which reflects debt service payments on both the 2006 and 2010 bond issuances.

- Deposits held in trust for others decreased by $107,000 (32.8%) as a result of the loss from operations experienced by the Early Childhood Education Center for which Clark State acts as fiscal agent.

- Net position invested in capital assets, net decreased by $813,000 (2.8%) due to construction activities, equipment/vehicle purchases, infrastructure improvements, and depreciation expense.

- Expendable restricted net position increased by $296,000 (10.3%) due to an increase in capital funding from the state.

- Unrestricted net position increased by $2.3 million (20.7%) as a result of revenues exceeding expenditures generating a net surplus for the fiscal year.

- Total net position increased by $1.8 million (4.0%).

Operating Revenues

- Student tuition and fees revenue (net of scholarship allowances) increased by $1.5 million (21.6%). Gross tuition and fees revenue increased by 11.5% due to accounting for summer 2012 and summer 2013 in FY 2013. Summer 2013 revenue was $1.7 million. The increase was partially offset by increasing bad debt expense by $239,000.

- Federal grants and contracts increased by $284,000 (20.4%) due to the new ABLE grant from Ohio Hi-Point, increased spending on the Title III grant and the ending of the GearUp grant.

- State and local grants and contracts decreased by $30,000 (8.8%) due to the fact that the Educational Service Center of Central Ohio and GearUp grants ended. New grants included OSU Oarnet and the Ohio Manufacturing Education Collaborative.

- Nongovernmental grants and contracts decreased by $6,000 (1.8%) as a result of a decline in partnership shows at the Performing Arts Center (PAC) (Springfield Arts Council, Nehemiah Foundation, Holland Theatre, etc.). This decline was mostly offset by increases in PAC sponsorships, Circle of Friends campaign and funding from DJFS and the Turner Foundation for Project Jericho.

- Auxiliary enterprises revenue, in total, decreased by $588,000 (33.3%). Bookstore revenues (net of scholarship allowances) decreased $603,000 (51.9%) even though gross revenue was only down 6%. This is because restricted scholarship aid for books was up 16%. The switch from quarters to semesters reduced revenue. Parking revenues increased $7,000 (11.9%) primarily due to accounting for two summer terms. Commercial Transportation Training Center revenues increased $7,000 (1.4%) due to a slight increase in enrollment.

- Other operating revenues increased $42,000 (4.1%) as a result of the charge backs on the Ohio Hi-Point Honda contract, which were partially offset by decreased PAC revenue and decreased lease revenue due to the Clark County Juvenile Court program for youth offenders no longer using College facilities.

- In total, operating revenues increased $1.3 million (10.4%).

Operating Expenses

- Instructional expenses increased by $1.3 million (12.0%) due to the fact that there are two summers of adjunct faculty expenses because of the change in accounting for summer 2013. There were also expenses for the new programs at Ohio Hi-Point and Honda.

- Academic support expenses increased by $201,000 (18.7%) because of expenses related to the Instructional Technical Equipment grant. Expenses for distance learning and academic computing (equipment and staff) increased over the previous year.

- Student services expenses increased by $214,000 (7.1%) due to an increase in expenses at the Greene Center, Financial Aid office (staff) and expenditures related to the Title III grant.

- Institutional support increased $306,000 (6.3%) due to expenses related to succession planning, strategic plan projects, risk management initiatives, consulting fees, and retirement severance payments.

- Operation and maintenance of plant decreased by $771,000 (22.9%) due to a reduction in expenses related to equipment, maintenance, and furnishings (in the previous fiscal year there were expenses related to furnishing and equipping the Hollenbeck Bayley Conference Center (HBC), construction of the HBC parking lot, roof replacement at Shull Hull, and lighting retrofits in various buildings on campus).

- Student aid (represents amounts refunded to students) increased by $80,000 (3.3%).

- Public service expenditures decreased by $168,000 (6.1%) due to the GearUp and Tech Prep programs that ended; a reduction in expenses for Corporate and Community Service/Non-Credit Continuing Education; a decline in partnership shows at the PAC as mentioned above; and a reduction in the Connect Ohio Grant. These decreases were partially offset by the new ABLE/GED grant at Ohio Hi-Point.

- Depreciation expense increased by $46,000 (2.4%) and expenses related to Auxiliary Enterprises increased $95,000 (2.7%).

- Total operating expenses increased by $1.3 million (3.8%).

- Total operating loss increased by $22,000 (0.1%) to $21.5 million.

Non-Operating Revenues (Expenses)

- State appropriations increased by $650,000 (6.4%) as a result of the enrollment increase in the previous year (FY 2012).

- Federal grants revenue increased by $549,000 (4.5%) due to increases in both dollar amounts and number of students eligible for Pell grants.

- Investment income decreased by $8,000 (19.3%) due to declining interest rates.

- Other non-operating items reflects the gain on trade in of equipment.

- Interest expense decreased by $12,000 (2.0%).

- Total net nonoperating revenues increased by $1.2 million (5.6%).

- The gain before other revenues, expenses, gains or losses increased by $1.2 million (656.4%) from $182,000 in FY 2012 to $1.4 million.

- Capital appropriations reflects funds from the state capital bill. There were no funds drawn down in FY 2013 primarily because there was no state capital bill for the FY 2011 / FY 2012 biennium. The appropriation shown for FY 2012 is related to the Shull Hull roof replacement.

- Capital grants and gifts decreased by $2.0 million (84.2%) primarily due to a reduction in Major Gifts Campaign funds transferred from the Clark State Foundation for the HBC building project, a reduction in expenses charged to the Corps of Engineering and the Ohio Cultural Facilities grants.

- The change in net position for FY 2013 was $1.8 million compared to FY 2012 of $2.7 million.

- Total net position at the end of FY 2013 equaled $45.3 million.

Senate Bill 6 requires state colleges to calculate ratio analyses from audited financial reports. Three ratios are used to generate a composite score to assess the financial health of the institution:

- Viability Ratio = expendable net position divided by plant debt

- Primary Reserve Ratio = expendable net position divided by total operating and non-operating expenses

- Net Income Ratio = change in total net position divided by total operating and non-operating revenues

For FY 2013, the College scored a 4 on Viability Ratio, 4 on Primary Reserve Ratio, and 4 on Net Income Ratio, resulting in a composite score of 4.0. The composite score for FY 2012 was 3.9. The Primary Reserve score was the same as FY 2012 and the ratio improved slightly. The Primary Reserve Ratio improved due to an increase expendable net position and a smaller increase in total operating expenses. The Viability score increased due to a combination of an increase in expendable net assets coupled with paying down outstanding debt. The Net Income score decreased from FY 2012 in spite of an increase in total revenues. This was because total expenses increased and capital grants and gifts decreased resulting in a reduction in the change in total net position.

Dr. Karen Rafinski, President of the College announced her retirement in September 2012 (to be effective June 2013). Dr. Rafinski served as president for 16 years. A search firm was hired and a broad based search committee was formed made up of faculty and staff, Board of Trustees, Foundation Board of Directors and community representatives. After a nationwide search, Dr. Jo Alice Blondin was hired and began her tenure July 1, 2013. The Vice President for Academic and Student Affairs announced his retirement September 2013 and a search is underway to hire a replacement. Two of the nine Board of Trustees positions are currently vacant and awaiting an appointment by the Governor.

The Campus Master Plan was adopted by the Board of Trustees in June 2003. This plan addresses facilities, land acquisition, technology, infrastructure, and space planning. It is an aggressive plan that, if implemented in its entirety, would have a cost of $40 million that would be invested over a 10-15 year period.

The first phase of the plan to construct an addition to the Applied Science Center and a new Technology & Learning Center was completed. Other elements of the plan that have been completed include a pedestrian walkway to John Street; reconfiguration of the student parking lot at Leffel Lane; installation of a student pride orchard; renovation of existing space in the Applied Science Center; a new entry drive, plaza, drop-off, walkway and campus entry sign at Leffel Lane; and installation of a pond at Leffel Lane. In FY 2012, construction was completed on the Hollenbeck Bayley Creative Arts and Conference Center adjacent to the Performing Arts Center and an interior renovation of the PAC was completed. We anticipate undertaking a new campus master planning process within the next two years.

The College issued debt for the first time in its history during the 2006 fiscal year. As a part of this process, the College requested and received a Moody's Rating. Moody's Investors Service assigned an underlying rating of A3 with a stable outlook to the College's Series 2006A General Receipts Bonds. Bonds totaling $8,175,000 were sold in May 2006 with the closing held in mid June 2006. The debt repayment schedule began with semi-annual interest only payments December 1, 2006.

Moody's Investors Service conducted their evaluation process of the College's operations in April 2010 where they reviewed financial operations, strategic planning, leadership team make-up, capital projects, and plans for future debt issuance. A Moody's team affirmed the previous A3 with Stable Outlook Rating.

The College issued bonds totaling $9,525,000 in October 2010 to finance the purchase of a leased facility in Greene County. A combination of tax-exempt and taxable (Build America) bonds were issued. The purchase was completed in November 2010.

The College utilized the Ohio Building Authority ("OBA") to issue the bonds under a new program that became available to community colleges in the previous biennial state budget legislation. The benefit of utilizing the OBA is that the debt to be issued will have an enhanced Aa2 rating. As a part of this process, the College requested Moody's to assign an underlying rating to this debt issuance. After reviewing the College's financial operations, etc., a new rating of A2 with Stable Outlook was assigned to this issuance. In 2012 this program was transferred to the State Treasurer's office and the OBA became defunct.

In October 2013 Moody's Investors Service is conducting an evaluation process of the College's operations. This process is undertaken every three years. Moody's is currently reviewing financial operations, strategic planning, leadership team makeup, capital projects, and plans for future debt issuance. The Moody's team is scheduled to release the results of the Ratings Committee in late October.

USING THE ANNUAL FINANCIAL REPORT

This annual financial report includes three financial statements:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

These financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities* and subsequent statements. The Clark State Community College Foundation (the Foundation) has been determined to be a component unit of the College. Accordingly, the Foundation is discretely presented in the College's financial statements. The Foundation is excluded from Management's Discussion and Analysis. Complete financial statements for the Foundation can be obtained from the Controller at the College.

Significant changes to the financial statements as a result of GASB Statement No. 35 and subsequent statements are as follows:

- Revenues and expenses are classified as either operating or non-operating. Several routine, recurring sources of revenue such as state appropriations, gifts, certain grants and investment income are classified as non-operating. As a public college, Clark State Community College has a high dependency on these non-operating revenues, particularly state appropriations. As a result of GASB 35 reporting classifications, the College will always generate an operating deficit.

- Capital assets are depreciated over their expected useful lives. Prior to fiscal year 2002, capital assets were recorded entirely as a current period expense in the year of acquisition. Depreciation expense was $1.92 million and $1.87 million for the years ended June 30, 2013, and June 30, 2012, respectively.

- Scholarships applied to student accounts are shown as a reduction of student tuition and fees while scholarships that are paid directly to students continue to be presented as scholarship expenses. Prior to fiscal year 2002, all scholarships were reflected as expenses. Scholarship allowances totaled $8.7 million and $8.4 million for the years ended June 30, 2013, and June 30, 2012, respectively.

One of the most important questions asked about the College's finances is whether the College, as a whole, is better off or worse off as a result of the year's activities. The three financial statements should assist readers of the annual report in answering this question. These statements present financial information in a form similar to that used by the private sector.

The College's net position is one indicator of its financial health. Over time, increases or decreases in net position is one indicator of the improvement or erosion of the College's financial health when considered with non-financial facts such as enrollment levels and the condition of the facilities.

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. The College's (as well as all other public colleges) dependency on State aid, grants and gifts will result in operating deficits because the financial reporting model classifies State appropriations, Pell grants and gifts as non-operating revenues. The utilization of long-lived assets referred to as Capital Assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Another important factor to consider when evaluating financial viability is the College's ability to meet financial obligations as they mature. The Statement of Cash Flows presents the information related to cash inflows and outflows summarized by operating, capital and non-capital financing and investing activities.

STATEMENT OF NET POSITION

The Statement of Net Position includes all assets and liabilities. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Net position is simply the difference between total assets and total liabilities. The change in net position during the fiscal year is an indicator of the change in the overall financial condition of the College during the year. A summary of the College's assets, liabilities, and net position as of June 30, 2013, 2012, and 2011, is as follows:

	2013	2012	2011
	(all dollar amounts in thousands)		
Current assets	$ 20,046	$ 18,343	$ 18,989
Noncurrent assets	44,558	45,767	43,926
Total Assets	64,604	64,110	62,915
Current liabilities	$ 3,645	$ 4,221	$ 5,196
Noncurrent liabilities	15,697	16,385	16,893
Total Liabilities	19,342	20,606	22,089
Net position			
Net investment in capital assets	$ 28,593	$ 29,406	$ 26,989
Restricted			
Nonexpendable	250	250	250
Expendable	3,169	2,873	2,644
Unrestricted	13,250	10,975	10,943
Total Net Position	45,262	43,504	40,826

A review of the summary indicates a relatively strong financial position as of June 30, 2013. Total net position increased $1,758,000 primarily due to an increase in operating revenues (tuitions and fees and federal grants and contracts) and an increase in non-operating revenue (state appropriations and federal grants).

Current assets increased by $1,703,000 primarily due to an increase in cash and accounts receivable.

Current liabilities decreased by $576,000 primarily due to decreases in accrued payroll/taxes and deferred income.

Net position represents the remaining amount of the College's assets after deducting liabilities.

Net investment in capital assets represents the College's capital assets after subtracting accumulated depreciation and the principal amount of outstanding debt attributable to the acquisition, construction, or improvement of those assets.

Restricted nonexpendable net position represents the College's permanent endowments.

Restricted expendable net position represent funds that are externally restricted to specific purposes such as student financial aid and grants, donations for the operation and maintenance of the Performing Arts Center, and capital component funds.

Unrestricted net position are funds that the College has at its disposal to use for whatever purposes the Board determines appropriate. While not subject to external restrictions, the College has designated these funds internally for various academic, student services, student aid, and capital purposes.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSTION

The Statement of Revenues, Expenses and Changes in Net Position presents the results of operations for the College. A summary of the College's revenues, expenses and changes in net position for the years ended June 30, 2013, 2012, and 2011, is as follows:

	2013	2012	2011
	(all dollar amounts in thousands)		
Operating revenues			
Student tuition and fees, net	$ 8,702	$ 7,154	$ 8,086
Grants and contracts	2,303	2,054	3,046
Auxiliary enterprises	1,173	1,761	1,922
Other	1,060	1,019	1,010
Total	13,238	11,988	14,064
Operating expenses	34,745	33,472	33,724
Operating loss	(21,507)	(21,484)	(19,660)
Nonoperating revenues (expenses)			
State appropriations	$ 10,751	$ 10,100	$ 9,233
State Fiscal Stabilization Funds	-	-	1,449
Federal grants	12,695	12,146	11,149
Investment income	34	42	60
Other	13	1	(2)
Interest expense	(610)	(623)	(536)
Capital appropriations	-	82	1,522
Capital grants	382	2,414	2,698
Total	23,265	24,162	25,573
Increase (decrease) in net position	1,758	2,678	5,913
Net position beginning of year	43,504	40,826	34,913
Net position end of year	$ 45,262	$ 43,504	$ 40,826

The College relies primarily on state appropriations and student tuition and fees to fund its ongoing programs and operations. Although classified by GASB 35 as a non-operating revenue source, state appropriations over the years have been the largest single source of revenue for the College up until fiscal year 2004. The amount received each year is, in general, a function of student enrollment for the previous year(s). Enrollment decreased 4.5% in fiscal year 2013 (the budget was based on a decrease of 5.6% due to conversion to the semester academic calendar). The resulting effect on the State Share of Instruction (the majority of state appropriations) will be realized in fiscal year 2014. Student fees were increased 2.4% effective fall semester 2013 (the increase was 3.5% in fall 2012). As the table below demonstrates, the State of Ohio has dramatically shifted the burden for funding the cost of higher education to students and their families.

State Operating Appropriations per Dollar of Gross Tuition

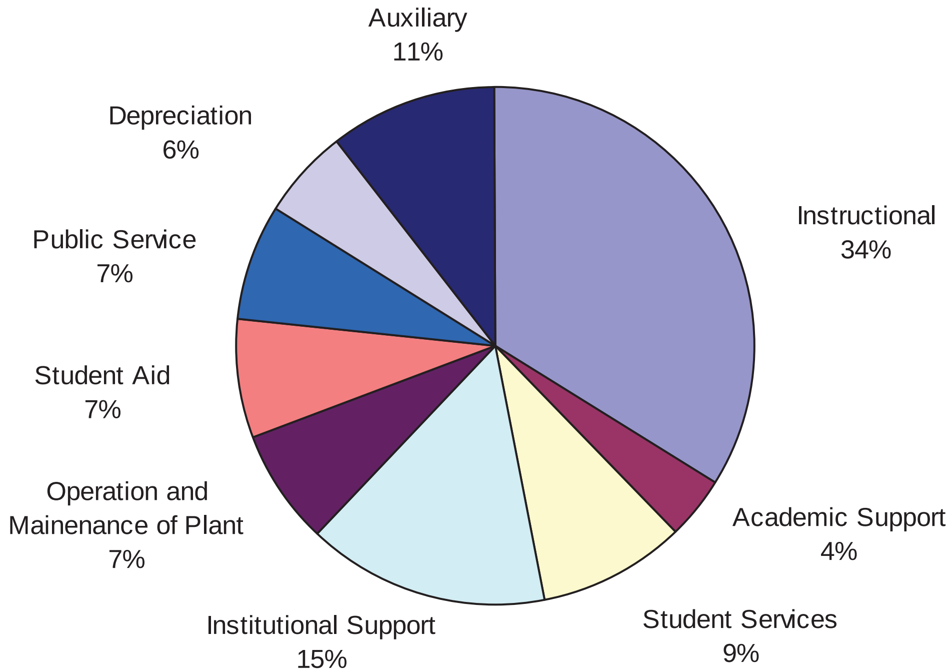
Fiscal Year	Gross Tuition	State Operating Appropriations	Net State Appropriations per Dollar of Gross Tuition
1980	$ 1,144,925	$ 2,160,717	$1.89
1990	2,781,764	4,491,168	1.61
2004	6,775,293	6,538,684	0.97
2005	7,543,886	6,945,868	0.92
2006	7,835,537	7,420,797	0.95
2007	8,162,676	7,723,689	0.95
2008	8,851,902	8,119,091	0.92
2009	9,914,898	8,822,705	0.89
2010	12,626,366	9,367,573	0.74
2011	14,417,217	9,938,577	0.69
2012	15,137,415	9,404,245	0.62
2013	16,680,297	10,137,875	0.61

In 1980, the State contributed $1.89 to Clark State for every dollar of gross tuition. In 2013, that figure dropped to $0.61. In 2004, gross tuition exceeded state appropriations by $0.2 million. In 2013, gross tuition exceeds state appropriations by $6.5 million.

This erosion of state support places a great deal of financial pressure on all public colleges and universities. It places special pressure on community and technical colleges. On the one hand we know that we serve many students who are economically disadvantaged who find the rising cost of higher education especially challenging. We have not forgotten these students in our financial planning which has resulted in modest tuition increases in recent years including no increases in FY 2008 or FY 2010. In 1999, Clark State's tuition was higher than 15 of the other two-year colleges in Ohio. As of fall 2013, there are only six other two-year institutions with lower tuition, five of which receive special funding from local levies. It is a continual challenge to generate sufficient funds to attract qualified staff and faculty, maintain state-of-the art facilities, accommodate growing enrollments, implement student retention/ academic support services, address deferred maintenance, develop new academic programs, and provide the latest technology and equipment to be able to furnish our students with a quality learning experience at an affordable cost. It is imperative to adequately fund these initiatives in the interest of student success.

Total state appropriations increased 6.4% in FY 2013. Net student tuition and fees increased 21.6% from $7.2 million in FY 2012 to $8.7 million in FY 2013. This increase was experienced in spite of the 4.5% enrollment decrease because of including both summer term 2012 and summer term 2013.

The following is a graphic illustration of expenses by function for the year ended June 30, 2013:



The increase in expenses in FY 2013 was the result of:

- Increases in functional categories of instruction 12.0%, academic support 18.7%, student services 7.1%, depreciation 2.4%, student aid 3.3%, auxiliary enterprises 2.7%, and institutional support 6.3%.

- Decreases in public service 6.2% and operation and maintenance of plant 22.9%.

The increases and decreases in these functional categories were described in more detail earlier in this discussion and analysis.

The following table shows a comparison of total operating expenses per FTE for 2013 and 2012. Total operating expenses per FTE student increased by $755 during FY 2013.

	2013	2012	Difference	Change
Total operating expenses	$ 34,744,660	$ 33,472,128	$ 1,272,532	3.80%
FTE Enrollment	3,691	3,866	(175)	-4.53%
Net operating expense per FTE	9,413	8,658	755	8.72%

STATEMENT OF CASH FLOWS

The Statement of Cash Flows also provides information about the College's financial health by reporting the cash receipts and cash payments of the College during the year ended June 30, 2013. The following is a summary of the Statement of Cash Flows for the years ended June 30, 2013, 2012, and 2011:

	2013	2012	2011
	(all dollar amounts in thousands)		
Cash provided (used) by:			
Operating activities	$ (20,509)	$ (19,717)	$ (20,083)
Noncapital financing activities	23,459	22,247	21,828
Capital and related financing activities	(1,347)	(2,383)	(452)
Investing activities	23	42	(397)
Net increase/(decrease) in cash and cash equivalents	1,626	189	896
Cash and cash equivalents			
Beginning of year	13,225	13,036	12,140
End of year	14,851	13,225	13,036

Cash and cash equivalents increased by $1.6 million primarily as a result of an increase in cash flow from noncapital financing activities, which was due to an increase in federal grants revenue (primarily Pell grants) and state appropriations. The changes in uses of cash and sources of cash from operating, noncapital financing, capital financing, and investment activities compared to FY 2012 clearly indicate that enrollment increased (due to counting two summer terms), staffing levels increased, bookstore revenue decreased, and capital financing activities decreased during FY 2013.

CAPITAL ASSETS AND DEBT

Capital Assets

The College had $44.4 million invested in capital assets net of accumulated depreciation of $31.5 million at June 30, 2013. Depreciation expense for the year ended June 30, 2013, was $1.92 million compared to $1.87 million in FY 2012 and $1.80 million in FY 2011. A summary of net capital assets for the years ended June 30, 2013, 2012, and 2011, is as follows:

	2013	2012	2011
	(all dollar amounts in thousands)		
Land, land improvements and infrastructure	$ 3,063	$ 3,123	$ 3,248
Buildings	37,975	39,031	34,801
Furniture and equipment	1,972	2,046	1,680
Library books and publications	110	109	102
Vehicles	124	96	55
Construction in progress	1,135	1,174	3,844
Total capital assets, net	$ 44,379	$ 45,579	$ 43,730

The major capital projects during FY 2013 included parking lot refurbishing and maintenance, water/ sewer infrastructure projects at Leffel Lane, architect/engineering fees related to the design of the Student Success Center, purchase of property at Leffel Lane and in downtown Springfield, purchase of capital equipment/vehicles, and technology equipment renewals and replacements. There was also a renovation project at the Greene Center to create a larger bookstore and enhance the food service available to students at that facility. Additionally, internal wayfinding and room designation signage was upgraded at the Brinkman Educational Center, Shull Hall, the Greene Center and a small portion of the Applied Science Center. This signage upgrade project also included additional building and parking lot exterior signage at the Brinkman Educational Center.

During FY 2007, the College embarked on a plan to help meet the needs of the citizens of the College's service district. This represented just the beginning of a more conscious outreach into the entire service district of the College in an effort to meet the educational and workforce development needs of those citizens of Greene, Champaign and Logan Counties. The Greene County campus was established and an outreach center was established in Logan County on the Ohio Hi-Point campus. The Ohio Hi-Point collaboration was further developed beginning in FY 2013 when we implemented Phase I of assuming responsibility for the adult education programs. These programs are delivered in Logan, Champaign and Union Counties. Phase II which is taking on the remaining adult education programs is effective beginning FY 2014. In FY 2013 we began a Diesel Technology program at Miami Valley CTC in Montgomery County. Over the last two years we have established programs with flight training schools in Clark, Greene, Champaign, and Warren counties.

Historically, the legislature passed a biennial capital appropriations bill. However, there was no such appropriation for the FY 2011/FY 2012 biennium. The Governor of Ohio implemented a new process for distributing capital funds to higher education institutions for the FY 2013/FY 2014 biennium. As a result of this process, the College received an appropriation of $3.4 million for a Student Success Center. Additionally, the capital reappropriations bill was enacted and appropriates a little over $1 million for various renovation projects at the College. A similar process is just beginning for distributing capital funds to higher education institutions for the FY 2015/FY 2016 biennium.

Debt

On May 31, 2006, the College sold $8,175,000 of General Receipts Bonds. The sale closed on June 13, 2006. The true interest cost on the transaction was 4.24% and the all-inclusive borrowing costs equate to 4.43%. The College applied for an underlying rating on the Bonds and received an "A3" rating from Moody's. Subsequently, bond insurance was purchased from Ambac which elevated the rating to "Aaa." Neither the rating agency nor the insurer imposed a debt service reserve requirement on the borrowing. This Bond issuance generated $8 million toward the TLC construction project. The remaining amount of bond proceeds were used to fund the costs of the Bond issuance including underwriter's discount, miscellaneous costs of issuance, and bond insurance. Debt service interest payments began December 1, 2006, and continue to be paid semi-annually on December 1 and June 1, of each year. Debt service principal payments began on December 1, 2008. The final maturity date for the Bonds is December 2032. During the first 15 years (through 2021) of debt service payments, a donation generated by the Major Gifts Campaign will be used to fund approximately 40% of the annual payments.

In October 2010, the College issued $9,525,000 of 2010 Series A1 and A2 bonds secured by the general receipts of the College but subordinate to the Series 2006 A bonds which have a first lien on the general receipts. The pro-forma debt service coverage is strong and the Series 2010 bonds are secured by an additional pledge of State Share of Instruction. This brought the total amount of outstanding debt to $15.7 million at June 30, 2013. The proceeds were used to purchase the 51,560 square foot Greene Center facility including the 3.66 acres of land on which it sits. The bonds consist of tax-exempt and taxable (Build America) bonds and are supported by the Ohio Community and Technical College Credit Enhancement Program. Moody's assigned an A2 with Stable Outlook underlying rating to the College and an initially assigned an Aa2 enhanced rating with Negative Outlook for the enhancement program. In March 2012, Moody's affirmed the Aa2 enhanced rating but upgraded the Outlook to Stable from Negative. Debt service interest payments began March 1, 2011, and continue to be paid monthly. Debt service principal payments began on September 1, 2011, for the tax-exempt issuance and will begin on September 1, 2018, for the taxable Build America Bonds issuance. The final maturity date for the tax-exempt bonds is December 2017 and for the taxable BABs is December 2035.

Strengths of the College, as noted in the October 2010 Moody's Rating Report, include:

- Additional security via the Credit Enhancement Program
- Robust enrollment growth in recent years across three campuses
- Balanced operations with improvement in operating margin
- Strong debt service coverage
- Notable philanthropic support

Challenges of the College, as noted in the October 2010 Moody's Rating Report, include:

- Relatively small operating revenue base making the College vulnerable to modest volatility in revenue sources
- Dependency on student fee revenue and government appropriations
- Demographic challenges in a highly competitive higher education market
- Ongoing economic and demographic challenges of the City of Springfield, Clark County, and the State of Ohio
- Relatively highly leveraged from an operating and balance sheet perspective with limited additional debt capacity at the current rating level

In October 2013 Moody's will be scheduling a Rating Committee meeting. The report to be issued will be an update to the report issued in 2010. The President and Vice Presidents of the College participated in a conference call in late September with Moody's analysts to discuss the strategic overview, governance and management (policy changes and senior leadership/Board changes), enrollment, operating performance, balance sheet and capital, state support and Foundation assets.

ECONOMIC FACTORS AFFECTING THE FUTURE

Management believes that the College has a solid financial foundation to be able to accomplish its mission which is to be a catalyst for individual, corporate and community prosperity by providing access to higher education for our diverse community and fostering student success through high quality, learning-centered education and services. In addition to challenges that the College has historically faced such as attracting and retaining students from underserved populations, the College continues to face the challenge of less than adequate state support for higher education from the State of Ohio. These challenges are the result of the State of Ohio addressing its economic downturn.

The FY 2008/FY 2009 biennial budget included a legislative charge for the creation of a strategic plan for higher education. This ten year strategic plan was approved by the Governor and the General Assembly in March 2008. The report builds upon the principles of creating the University System of Ohio, which represents a new cooperative framework for public higher education in the state. For too long, Ohio has been beset by competition between institutions for students and resources rather than the collaboration that would benefit all Ohioans. The goal of the plan is to raise the educational attainment each year and to close the gap between Ohio and competitor states and nations. To accomplish this goal, three things must be achieved:

- Graduate more students
- Keep more of our graduates in Ohio
- Attract more degree holders from out of state

To accomplish these goals, benchmarks have been established including increasing enrollment by 230,000 by 2017 and increasing the rate of graduation by 20%. Key strategies are included in the report related to adequate preparation; affordability; financial condition and productivity; workforce development, research and technology transfer; and capitalizing on the capabilities and strengths of each individual institution of higher education.

The political party of the Governor changed in the general election of 2010. Subsequently the Chancellor of the Ohio Board of Regents left his post in 2011. This essentially put the USO plan on hold. A new Chancellor was appointed who then retired in 2013. The current Chancellor was appointed in June 2013. The two-year college fiscal officers are working with their Ohio Association on several collaborative projects to share services in the interest of increased efficiencies and reduced costs. We are also working with Wright State University and Central State University on a Print Management project.

FY 2014/FY 2015 State Biennial Budget

Beginning in FY 2014 the State Share of Instruction (SSI) is transitioning from a model based primarily on enrollment to a model based on performance. For FY 2014 funding will be calculated based on enrollment (50%), success points (25%), and course completion (25%). The data used will be a three year average for fiscal years 2013, 2012 and 2011. Clark State is projected to receive an increase in SSI of 11.2% in FY 2014.

The Budget Bill called for a community college funding consultation group to draft the formula framework for SSI for FY 2015. The group is made up of community college fiscal, academic, and student services officers as well as representatives from the Ohio Board of Regents, Office of Budget and Management, and the Ohio Association of Community Colleges. The consultation is being led by consultants that have worked with other states across the country to assist them in developing performance funding models. They are in part funded by the Lumina Foundation to work toward a goal for 60% of adults across the nation to have a higher education degree/credentials by 2025. The model will eliminate the enrollment component and instead fund a combination of course completion, success points, and completion metrics. Weights will be assigned, and institutions rewarded, for the success of at-risk students. There will be no stop-loss (minimum funding guarantee) in the formula.

The report including recommendations is due to the Chancellor of the OBR by December 31, 2013. The Higher Education Funding Commission (another collaborative group assembled by the Governor of Ohio) will review the report during January/February 2014. The final recommendations will be submitted by the Chancellor of the OBR to the Office of Budget and Management by February 15, 2014.

The Budget Bill requires that the Board of Trustees of every public institution of higher education adopt a completion plan by June 30, 2014 to increase the number of degrees and certificates awarded.

The Budget Bill limits tuition increases for community colleges to $100 above what was charged in the previous academic year.

Major Initiatives Planned for FY 2014

- Embark on a strategic planning initiative
- Increase educational outreach into Logan, Champaign and Greene Counties
- Continued upgrade and enhancement of the IT infrastructure
- Further revise/develop curriculum, the academic calendar, policies, procedures, business services, and student services to fully implement the conversion to semesters which began in Fall 2012
- Circulation of a Request for Proposal for energy management projects
- A renewed focus on academic support programs to increase student retention
- Continue to develop and implement a risk management program by identifying, assessing and prioritizing risks. Campus safety plans will be updated as a result of this effort.
- Implementation of realignments as a result of the space planning study completed in June 2011
- Construction of a new building and renovation to existing spaces in Rhodes Hall to accommodate a student success center, food service, and bookstore
- Develop a branding and enrollment marketing campaign to refresh our brand and create an enrollment-driven marketing campaign
- Address the statewide (actually nationwide) student success agenda by providing the academic and student support services necessary to assist students in graduating and/or accomplishing their academic goals in a timely fashion
- Participate in the statewide process to determine how State Share of Instruction funding is to be distributed to colleges and universities beginning in FY 2015

Clark State Community College
Statements of Net Position
June 30, 2013 and 2012

Assets		2013	2012
Current assets			
Equity in pooled cash and cash equivalents	$	14,851,324	13,224,808
Investments		468,798	458,267
Accounts receivable, net		3,994,430	3,770,839
Prepaid expenses		303,457	457,351
Inventory		410,305	412,973
Employee loans receivable		17,685	18,423
Total current assets		20,045,999	18,342,661
Noncurrent assets			
Capital assets, net		44,379,491	45,579,258
Deferred charges		178,264	187,266
Total noncurrent assets		44,557,755	45,766,524
Total assets		64,603,754	64,109,185
Liabilities			
Current liabilities			
Accounts payable		979,450	731,152
Note payable, current portion		610,000	590,000
Interest payable		175,983	178,400
Wages payable		1,078,122	765,492
Accrued payroll and tax liabilities		301,522	361,450
Unearned revenue		363,205	1,459,745
Unclaimed funds		136,697	134,340
Total current liabilities		3,644,979	4,220,579
Noncurrent liabilities			
Note payable, less current portion		15,065,000	15,675,000
Deposits held in trust for others		219,801	327,212
Accrued compensated absences		412,197	382,544
Total noncurrent liabilities		15,696,998	16,384,756
Total liabilities		19,341,977	20,605,335
Net position			
Net investment in capital assets		28,593,044	29,406,118
Restricted			
Nonexpendable		250,000	250,000
Expendable		3,169,193	2,872,891
Unrestricted		13,249,540	10,974,841
Total net position	$	45,261,777	43,503,850

See accompanying notes to financial statements.

Assets		2013	2012
Cash and cash equivalents	$	284,367	44,941
Investments		13,851,113	12,447,178
Pledges receivable		2,015,528	2,338,201
Student loans receivable, net of allowance for doubtful loans of $81,842 in 2013 and $80,098 in 2012		60,405	117,731
Prepaid expenses		458	487
	$	16,211,871	14,948,538
Liabilities and net assets			
Liabilities			
Accounts payable, Clark State Community College	$	40,815	171,008
Wages payable		615	1,172
		41,430	172,180
Net assets			
Unrestricted		323,069	342,564
Temporarily restricted		6,901,021	5,748,858
Permanently restricted		8,946,351	8,684,936
		16,170,441	14,776,358
	$	16,211,871	14,948,538

See accompanying notes to financial statements.

	2013	2012
Operating revenues		
Student tuition and fees, net of scholarship allowances of $8,658,069 in 2013 and $8,419,441 in 2012	$ 8,702,024	7,154,149
Federal grants and contracts	1,676,873	1,392,989
State and local grants and contracts	309,118	338,931
Nongovernmental grants and contracts	316,626	322,495
Auxiliary enterprises		
Bookstore, net of scholarship allowances of $2,767,670 in 2013 and $2,386,749 in 2012	558,145	1,160,711
Parking	64,074	57,256
Truck driving	550,605	543,151
Other operating revenues	1,060,682	1,018,426
Total operating revenues	13,238,147	11,988,108
Operating expenses		
Educational and general		
Instructional	11,818,925	10,549,870
Academic support	1,273,146	1,072,473
Student services	3,214,583	3,000,684
Institutional support	5,170,289	4,864,133
Operation and maintenance of plant	2,594,372	3,364,880
Student aid	2,521,631	2,441,241
Public service	2,564,287	2,732,455
Depreciation expense	1,920,064	1,874,249
Auxiliary enterprises	3,667,363	3,572,143
Total operating expenses	34,744,660	33,472,128
Operating loss	(21,506,513)	(21,484,020)
Nonoperating revenues (expenses)		
State appropriations	10,750,494	10,100,077
Federal grants revenue	12,695,425	12,145,955
Investment income	33,549	41,557
Other nonoperating items	13,135	1,135
Interest expense	(610,507)	(622,852)
Net nonoperating revenues (expenses)	22,882,096	21,665,872
Gain before other revenues, expenses, gains, or losses	1,375,583	181,852
Capital appropriations	-	82,328
Capital grants and gifts	382,344	2,413,697
Total other revenues, expenses, gains, or losses	382,344	2,496,025
Change in net position	1,757,927	2,677,877
Net position - beginning of year	43,503,850	40,825,973
Net position - end of year	$ 45,261,777	43,503,850

See accompanying notes to financial statements.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2013	Total 2012
Revenues and other support					
Campaign contributions	$ 37,351	198,824	-	236,175	233,305
Foundation contributions	3,109	110,290	261,415	374,814	296,311
Interest	759	292,980	-	293,739	282,948
Net realized and unrealized gains (losses) on investment	33,465	1,275,116	-	1,308,581	(72,184)
Miscellaneous	5,663	51,739	-	57,402	60,504
Net assets released from restrictions	776,786	(776,786)	-	-	-
Total revenues and other support	857,133	1,152,163	261,415	2,270,711	800,884
Expenses					
Programs	803,127	-	-	803,127	2,181,640
Management and general	73,501	-	-	73,501	105,155
Total expenses	876,628	-	-	876,628	2,286,795
Change in net assets	(19,495)	1,152,163	261,415	1,394,083	(1,485,911)
Net assets at beginning of year	342,564	5,748,858	8,684,936	14,776,358	16,262,269
Net assets at end of year	$ 323,069	6,901,021	8,946,351	16,170,441	14,776,358

See accompanying notes to financial statements.

		Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2012
Revenues and other support					
Campaign contributions	$	21,670	211,635	-	233,305
Foundation contributions		3,364	95,028	197,919	296,311
Interest		3,203	279,745	-	282,948
Net realized and unrealized gains (losses) on investment		(17,554)	(54,630)	-	(72,184)
Miscellaneous		8,971	51,533	-	60,504
Net assets released from restrictions		1,764,776	(1,764,776)	-	-
Total revenues and other support		1,784,430	(1,181,465)	197,919	800,884
Expenses					
Programs		2,181,640	-	-	2,181,640
Management and general		105,155	-	-	105,155
Total expenses		2,286,795	-	-	2,286,795
Change in net assets		(502,365)	(1,181,465)	197,919	(1,485,911)
Net assets at beginning of year		844,929	6,930,323	8,487,017	16,262,269
Net assets at end of year	$	342,564	5,748,858	8,684,936	14,776,358

See accompanying notes to financial statements.

	2013	2012
Cash flows from operating activities		
Tuition and fees	$ 8,031,725	7,521,643
Grants, gift and contracts	1,652,785	2,309,253
Payments for goods and services	(8,959,624)	(9,807,734)
Payment for utilities	(794,283)	(787,940)
Payments to employees	(15,805,461)	(15,295,411)
Payments for benefits	(4,550,320)	(4,148,816)
Payments for scholarships and fellowships	(2,329,127)	(2,301,064)
Loans issued to students and employees	(28,275)	(19,631)
Collection of loans to students and employees	29,013	23,299
Auxiliary enterprise charges		
Bookstore	558,145	1,160,711
Parking	64,074	57,256
Truck driving	550,605	543,151
Other receipts	1,072,041	1,028,743
Net cash from operating activities	(20,508,702)	(19,716,540)
Cash flows from noncapital financing activities		
State appropriations	10,750,494	10,100,077
Federal grants revenue	12,695,425	12,145,955
Other nonoperating items	13,135	1,135
Net cash from noncapital financing activities	23,459,054	22,247,167
Cash flows from capital financing activities		
Purchase of capital assets	(526,274)	(3,723,149)
Principal paid on capital debt	(590,000)	(580,000)
Interest paid on capital debt	(612,924)	(575,365)
Capital appropriations	-	82,328
Capital grants and gifts proceeds	382,344	2,413,697
Net cash from capital financing activities	(1,346,854)	(2,382,489)
Cash flow from investing activities		
Net change in investments	(10,531)	(1,160)
Income on investments	33,549	41,557
Net cash from investing activities	23,018	40,397
Net change in cash and cash equivalents	1,626,516	188,535
Cash and cash equivalents, beginning of year	13,224,808	13,036,273
Cash and cash equivalents, end of year	$ 14,851,324	13,224,808

See accompanying notes to financial statements.

		2013	2012
Reconciliation of net operating loss to net cash from operating activities			
Operating loss	$	(21,506,513)	(21,484,020)
Adjustments to reconcile operating loss to net cash from operating activities			
Depreciation expense		1,920,064	1,874,249
Provision for bad debts		446,708	489,428
Changes in assets and liabilities			
Accounts receivable		(670,299)	367,494
Inventory		2,668	(51,611)
Prepaid expenses		153,894	26,810
Loans receivable		738	3,668
Other assets		9,002	8,998
Accounts payable		54,275	(443,372)
Wages payable		312,630	(383,462)
Accrued payroll liabilities		(59,928)	26,730
Unearned revenue		(1,096,540)	(234,590)
Unclaimed funds		2,357	1,319
Deposits held in trust for others		(107,411)	75,153
Compensated absenses		29,653	6,666
Net cash from operating activities	$	(20,508,702)	(19,716,540)

Noncash transactions:

Capital assets of $194,023 for fiscal year 2013 were financed through accounts payable, therefore this amount was excluded from the change in accounts payable and purchases of capital assets, above.

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Clark State Community College ("College") is an institution of higher education and is considered to be a component unit of the State of Ohio ("State") because its Board of Trustees is appointed by the Governor of the State. Accordingly, the College is included in the State's financial statements as a discrete component unit. Transactions with the State relate primarily to appropriations, grants from various state agencies and payments to the State retirement program for certain College employees.

The College is classified as a state instrumentality under Internal Revenue Code Section 115, and is also classified as a charitable organization under Internal Revenue Code Section 501(c)(3), and is therefore exempt from federal income taxes. Certain activities of the College may be subject to taxation as unrelated business income under Internal Revenue Code Sections 511 to 514.

Clark State Community College Foundation ("Foundation") is a legally separate, tax-exempt organization that exists to provide financial assistance to the educational programs, services, and facilities of the College. Although the College does not control the timing or the amount of receipts from the Foundation, the majority of resources or incomes thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Therefore, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

Financial Statement Presentation: The accompanying financial statements of the College have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Standards Board ("GASB").

GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* ("GASB Statement No. 35") and subsequent statements issued by GASB, established standards for external financial reporting for public colleges and universities and require that resources be classified for accounting and reporting purposes into the following net position categories:

- **Net investment in capital assets** – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

- **Restricted, nonexpendable** – Net position subject to externally-imposed stipulations that they be maintained permanently by the College.

- **Restricted, expendable** – Net position whose use is subject to externally-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time. These represent amounts for scholarships and capital construction projects.

- **Unrestricted** – Net position that are not subject to externally-imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the College's policy to apply the restricted resources first, then unrestricted resources as needed.

The financial statement presentation required by GASB Statement No. 35 is intended to provide a comprehensive, entity-wide perspective of the College's assets, liabilities, net position, revenues, expenses, changes in net position and cash flows.

Basis of Accounting: For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

New Accounting Standards Adopted:
In fiscal year 2013, the College adopted three new accounting standards as follows:

GASB Statement No. 61 *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34* (GASB 61) modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the College.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB 62), incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance included in FASB pronouncements, which does not conflict with or contradict GASB pronouncements, and eliminates the criteria to apply post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB 63), establishes a new statement of net position format that reports separately all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires deferred outflows of resources and deferred inflows of resources to be reported separately from assets and liabilities. The financial reporting impact resulting from the implementation of GASB 63 in the College's financial statements was the renaming of "Net Assets" to "Net Position", including changing the name of the financial statement from "Statement of Net Assets" to "Statement of Net Position."

Equity in Pooled Cash and Cash Equivalents: Equity in pooled cash and cash equivalents consist of cash on hand and demand deposits with banks. For purposes of the statement of cash flows, the College considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Investments: The College accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statements of revenues, expenses, and changes in net position.

Accounts Receivable: Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also include amounts due from federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories: Inventories are comprised of text books and educational materials sold by the book store and are stated at actual cost using the first-in, first-out method.

Capital Assets: Capital assets are recorded at cost or, if acquired by gift, at fair market value at the date of the gift. In the absence of historical cost records, equipment is recorded at the current cost of replacement as of that date, based on an inventory and appraisal of the equipment by an independent appraisal firm.

Capital assets additions and improvements with a cost in excess of $5,000 are capitalized and depreciated on a straight-line basis over the estimated useful life of the property as follows:

Classification	Life
Buildings	45 years
Infrastructure	20 years
Furniture and equipment	5-20 years
Library books	10 years
Vehicles	3-6 years

Compensated Absences: The liability and expense incurred for employee vacation and sick pay are recorded as accrued compensated absences in the statement of net position and as a component of compensation and benefit expense in the statement of revenues, expenses and changes in net position.

Unearned Revenue: Unearned revenue includes amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Deposits Held in Trust for Others: Deposits held in trust for others in the amount of $219,801 represents the balance in the College's Agency fund that is available for expenditures.

Operating and Nonoperating Revenues: The College's policy for defining operation activities as reported on the statement of revenues, expenses, and changes in net position is to report those activities that generally result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nearly all of the College's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues as defined by GASB Statements No. 34 and 35, including state appropriations and investment income. In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, and recent updates in *GASB's Implementation Guide*, Pell grants, are considered nonexchange transactions and are recorded as non-operating revenues in the accompanying financial statements.

Scholarship Discounts and Allowances: Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the College's financial statements based on whether or not they are considered exchange transactions. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

Joint Venture: In conjunction with Springfield-Clark Career Technology Center ("CTC"), the College participated in creating a separate 501(c)(3) organization that operates a child day care facility. Clark State Community College operates as the Center's fiscal agent. A formula has been established by the College and CTC to determine each entity's share in funding operating losses, if any. The Center did not incur an operating loss in FY2012. Although an operating loss was incurred in FY 2013, the College did not incur any funding obligations, due to the Center having positive fund balances from prior years' profitable operations. Financial information can be obtained by writing Early Childhood Education Center c/o Clark State Community College at 570 East Leffel Lane, Springfield, Ohio 45505.

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

NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS

Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the College places deposits must pledge as collateral eligible securities of aggregate market value equal to the amount of deposits not insured by the Federal Depository Insurance Corporation (FDIC). Further, Ohio law allows for pledges of pooled collateral in amounts that exceed the secured deposits by at least five percent. Collateral that may be pledged is limited to obligations of the following entities: the United States and its agencies, the State of Ohio, the Ohio Student Loan Commission and any legally constituted taxing subdivision within the State of Ohio.

The College's investment policies are governed by state statutes that authorize the College to invest in obligations of the U.S. Treasury, agencies and instrumentalities; bonds and other State of Ohio obligations; certificates of deposit; and U.S. Government money market funds and repurchase agreements. Such repurchase agreements must be acquired from qualifying Ohio financial institutions, or from registered brokers/dealers.

Deposits: Custodial credit risk is the risk that in the event of a failure of a depository financial institution to fulfill its obligations, the College will not be able to recover the value of deposits, investments or collateral securities in the possession of an outside party. The College's policy for deposits is that any balance not covered by depository insurance will be collateralized by the financial institution with pledged securities. As of June 30, 2013 and 2012, carrying amount of the Colleges' deposits was $2,612,313 and $2,575,112, respectively. The bank balance was $3,433,256 at June 30, 2013. Of the 2013 bank balance, $1,564,627 was covered by federal depository insurance, $1,072,582 was collateralized in both the College's name and the financial institution's name, and $796,047 was secured with letters of credit for the benefit of the College.

Investments: At June 30, 2013 and 2012, the College had amounts on deposit with STAR Ohio, with fair market values of $12,239,011 and $10,649,696, respectively which are included in the "Equity in Pooled Cash and Cash Equivalents" amount on the statement of net position. STAR Ohio is an investment pool created pursuant to Ohio statutes and managed by the Treasurer of the State of Ohio. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on the balance sheet date.

The College's investments include $468,798 invested in obligations of the U.S. Treasury and are therefore not subject to the credit risk disclosures of GASB Statement No. 40 which are stated at their fair value.

Interest rate risk: The College does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. In practice the College manages its exposure to declines in fair values by limiting the maximum maturity of its investment portfolio to approximately two years.

Credit Risk: It is College practice to limit its investments to those explicitly guaranteed by the U.S. government, to STAR Ohio (rated AAAm by Standard & Poor's), or to high yield cash investments with authorized banks which pledge pooled securities as collateral.

Concentration of credit: The College places no limit on the amount the College may invest in any one issuer.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2013 and 2012 consisted of employee loans, billings for student fees, rentals, sponsored billings and intergovernmental receivables arising from grants. All receivables are not considered collectible in full and an allowance for doubtful accounts was established as reflected in the financial statements.

Accounts receivable consist of the following, as of June 30:

	2013	2012
Student charges	$ 3,213,071	$ 2,757,002
Room rental	22,507	21,634
Post secondary	324,113	310,364
Customized training services	54,967	19,902
Sponsored billings	145,168	165,783
Intergovernmental	1,374,076	1,147,218
Miscellaneous	464,915	717,589
	5,598,817	5,139,492
Less allowance for possible collection losses	(1,604,387)	(1,368,653)
Accounts receivable, net	$ 3,994,430	$ 3,770,839

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	July 1, 2012 Balance	Additions/ Transfers	Net Reductions	June 30, 2013 Balance
Cost				
Land	$ 2,271,084	$ 105,712	$ -	$ 2,376,796
Infrastructure	3,589,330	-	-	3,589,330
Buildings	60,834,983	350,069	-	61,185,052
Construction in Progress	1,174,263	310,817	(350,069)	1,135,011
Furniture and equipment	6,389,434	211,588	(46,767)	6,554,255
Library books	530,964	25,207	(39,952)	516,219
Vehicles	528,347	66,973	(43,517)	551,803
	75,318,405	1,070,366	(480,305)	75,908,466

	July 1, 2012 Balance	Additions/ Transfers	Net Reductions	June 30, 2013 Balance
Accumulated depreciation				
Infrastructure	$ 2,737,114	$ 166,292	$ -	$ 2,903,406
Buildings	21,803,595	1,406,187	-	23,209,782
Furniture and equipment	4,343,178	285,212	(46,767)	4,581,623
Library books	422,331	23,724	(39,952)	406,103
Vehicles	432,929	38,649	(43,517)	428,061
	29,739,147	1,920,064	(130,236)	31,528,975
Capital assets, net	$ 45,579,258	$ (849,698)	$ (350,069)	$ 44,379,491

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	July 1, 2011 Balance	Additions/ Transfers	Net Reductions	June 30, 2012 Balance
Cost				
Land	$ 2,271,084	$ -	$ -	$ 2,271,084
Infrastructure	3,530,256	59,074	-	3,589,330
Buildings	55,277,668	5,620,751	(63,436)	60,834,983
Construction in Progress	3,844,608	1,158,898	(3,829,243)	1,174,263
Furniture and equipment	5,803,292	618,573	(32,431)	6,389,434
Library books	531,428	29,059	(29,523)	530,964
Vehicles	462,311	66,036	-	528,347
	71,720,647	7,552,391	(3,954,633)	75,318,405

	July 1, 2011 Balance	Additions/ Transfers	Net Reductions	June 30, 2012 Balance
Accumulated depreciation				
Infrastructure	$ 2,553,119	$ 183,995	$ -	$ 2,737,114
Buildings	20,476,490	1,392,184	(65,079)	21,803,595
Furniture and equipment	4,123,529	251,281	(31,632)	4,343,178
Library books	429,526	22,329	(29,524)	422,331
Vehicles	407,625	25,304	-	432,929
	27,990,289	1,875,093	(126,235)	29,739,147
Capital assets, net	$ 43,730,358	$ 5,677,298	$ (3,828,398)	$ 45,579,258

NOTE 5 – LONG-TERM OBLIGATIONS

The College's long-term obligations at June 30, 2013 consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable, net	$ 16,265,000	$ -	$ 590,000	$ 15,675,000	$ 610,000
Deposits held in trust for others	327,212	-	107,411	219,801	-
Compensated absences	382,544	49,682	20,029	412,197	-
Total long-term liabilities	$ 16,974,756	$ 49,682	$ 717,440	$ 16,306,998	$ 610,000

The College's long-term obligations at June 30, 2012 consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable, net	$ 16,845,000	$ -	$ 580,000	$ 16,265,000	$ 590,000
Deposits held in trust for others	252,059	75,153	-	327,212	-
Compensated absences	375,878	6,666	-	382,544	-
Total long-term liabilities	$ 17,472,937	$ 81,819	$ 580,000	$ 16,974,756	$ 590,000

In June 2006, the College issued $8,175,000 of General Receipts Bonds, Series 2006, to pay a portion of the costs of the Sara T. Landess Technology and Learning Center. These bonds are special obligations of the College. Principal and interest on the bonds are payable solely from the pledged general receipts of the College. The bonds are not obligations of the State of Ohio, are not general obligations of the College, and the full faith and credit of the College is not pledged to their payment. Bondholders have no right to have excises or taxes levied by the Ohio General Assembly. The College has covenanted it will ensure sufficient general receipts at all times sufficient to, at least, pay debt service charges on the General Receipt Bonds when due. The total principal and interest remaining to be paid at June 30, 2013 was $9,416,504. Principal and interest paid during the current fiscal year and total general receipts were $608,650 and $10,935,530, respectively.

The interest is payable semi-annually each June 1 and December 1, beginning December 1, 2006, and ending December 1, 2032. The principal is payable annually each December 1 beginning December 1, 2008, and ending December 1, 2032. The interest rates range from 4.0% to 4.4%. The bonds are payable as follows:

Year Ending June 30,	Principal	Interest	Total
2014	$ 335,000	$ 275,131	$ 610,131
2015	345,000	260,681	605,681
2016	360,000	245,700	605,700
2017	375,000	230,081	605,081
2018	395,000	214,213	609,213
2019-2023	1,970,000	819,618	2,789,618
2024-2028	1,300,000	498,040	1,798,040
2029-2033	1,610,000	183,040	1,793,040
	$ 6,690,000	$ 2,726,504	$ 9,416,504

In October 2010, $9,525,000 State of Ohio (Ohio Building Authority) Clark State Community College Facilities Bonds, 2010 Series A, were issued to finance the purchase of the Greene Center facility at 3775 Pentagon Park Boulevard, Beavercreek, Ohio. The bonds consist of $1,980,000 of 2010 Series A1 Tax-Exempt Bonds and $7,545,000 2010 Series A2 Federally Taxable-Build America Bonds-Direct Payment. These bonds are special obligations of the Ohio Building Authority, the proceeds from which financed the purchase of the facility which the College leases from the OBA. Rentals to be paid to the OBA will be paid by the College from available receipts. The interest is payable semi-annually each March 1 and September 1, beginning March 1, 2011 and ending September 1, 2035. The principal is payable annually each September 1, beginning September 1, 2011 and ending September 1, 2035. The interest rates range from 1.5% to 6.17%. The bonds are payable as follows:

Year Ending June 30,	Principal	Interest	Discount/ Subsidy	Total
2014	$ 275,000	$ 454,637	$ (149,612)	$ 580,025
2015	280,000	449,087	(149,612)	579,475
2016	290,000	443,387	(149,612)	583,775
2017	295,000	437,536	(149,612)	582,924
2018	300,000	431,024	(149,612)	581,412
2019-2023	1,635,000	1,957,235	(685,032)	2,907,203
2024-2028	1,930,000	1,502,376	(525,832)	2,906,544
2029-2033	2,335,000	875,992	(306,597)	2,904,395
2034-2036	1,645,000	155,021	(54,255)	1,745,766
	$ 8,985,000	$ 6,706,295	$ (2,319,776)	$ 13,371,519

Compensated Absences

Under the College's compensated absences policy, employees in Grade Levels 7 through 14 earn vacation leave at a rate of 6.15 hours for each pay period, up to a maximum of 160 hours. Employees in Grade Levels 5 and 6 earn vacation at a rate of 4.62 hours per pay period, up to a maximum of 120 hours. Employees in Grade Levels 4 and below earn vacation leave at a rate of 3.08 hours for each pay period, up to a maximum of 80 hours. Upon completion of five years of service, eligible employees in these grade levels earn eight additional vacation hours for each year of service, up to a maximum of 160 hours. The policy allows a maximum of 200 vacation hours to be carried over to the subsequent year. Upon termination of employment, an employee is entitled to payment for all unused, accrued vacation hours. Vacation leave accrual rates will not be reduced for all employees hired prior to this date.

College employees earn 10 hours of sick leave for each month of service up to a maximum of 120 hours per year. Annual unused sick leave has unlimited accrual. This sick leave will either be absorbed by time off due to illness or injury, or within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to one-quarter of the accumulated sick leave to a maximum payout of 240 hours. The College uses a five-year rolling average to estimate the liability for the next fiscal year.

The President is covered by the above stated Board policy on "sick leave severance upon retirement." The President is entitled to 30 days annual paid vacation. The President may elect to receive the cash equivalent of up to 10 days of unused vacation annually.

The total amount accrued for compensated absences at June 30:

	2013	2012
Vacation	$ 383,349	$ 366,159
Sick leave	28,848	16,385
Total	$ 412,197	$ 382,544

NOTE 6 – STATE SUPPORT

The College is a state-assisted institution of higher education, which receives a student-based subsidy, determined annually using a formula devised by the Ohio Board of Regents.

In addition to the student subsidies, the State of Ohio provides the funding for construction of major plant facilities on the College campus. The funding is obtained from issuance of revenue bonds by the Ohio Public Facilities Commission ("OPFC"), which in turn causes the construction and subsequent lease of the facility by the Ohio Board of Regents. Upon completion of a facility, the Board of Regents turns over control to the College, which capitalizes the cost.

Neither the obligation for the revenue bonds issued by OPFC nor the annual debt service charges for principal and interest on the bonds are reflected in the College's financial statements. Currently, these are being funded through appropriations to the Board of Regents by the Ohio General Assembly.

The facilities are not pledged as collateral for the revenue bonds. Instead the bonds are supported by a pledge of monies in the Higher Education's Bond Service Fund established in the custody of the Treasurer of State. If sufficient monies are not available from this fund, a pledge exists to assess a special student fee uniformly applicable to students in state-assisted institutions of higher education.

NOTE 7 – PENSION PLANS

School Employees Retirement System

Plan Description – The College contributes to the School Employees Retirement System ("SERS"), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute per Chapter 3309 of the Ohio Revised Code ("ORC"). SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the College is required to contribute 14 percent of their annual covered payroll. The contribution requirements of the plan members and employers are established and may be amended, up to a statutory maximum amounts, by the SERS Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and the Health Care Fund) of the System. For fiscal year ending June 30, 2013, the allocation to pension and death benefits is 13.10%. The remaining 0.90% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The College's contributions to SERS for the fiscal years ended June 30, 2013, 2012, and 2011 were $1,095,878, $1,085,613 and $981,090, respectively, which equaled the required contributions each year.

State Teachers Retirement System

State Teachers Retirement System of Ohio ("STRS Ohio") is a cost-sharing, multiple-employer public employee retirement system that is funded on a pay-as-you-go basis. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

Plan Options – New members have a choice of three retirement plan options. In addition to the Defined Benefit ("DB") Plan, new members are offered a Defined Contribution ("DC") Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit", the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into member's accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan ("ARP") offered by their employer. Employees have 120 days from their employment start date to select a retirement plan.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plan and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of $1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to $2,000 can be purchased by participants in the DB, DC, or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2013, were 10% of covered payroll for members and 14% for employers. The College's required 14% contributions for pension obligations for the fiscal years ended June 30, 2013, 2012, and 2011, were $1,177,487, $1,053,938 and $960,790, respectively.

STRS Ohio issued a stand-alone financial report. Additional information or copies of STRS Ohio's *2012 Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090, or by visiting the STRS Ohio Web site at www.strsoh.org.

Alternative Retirement Programs

The College's contributions to ARPs for the year ended June 30, 2013, 2012 and 2011, were $73,755 $70,188 and $61,547, respectively, which is equal to the required contribution for those years.

NOTE 8 – POSTEMPLOYMENT BENEFITS

School Employees Retirement System

In addition to a cost-sharing multiple-employer defined benefit pension plan the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

Medicare Part B Plan - The Medicare Part B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2013 was $104.90 for most participants, but could be as high as $335.70 per month depending on their income. SERS' reimbursement to retirees was $45.50.

The Retirement Board, acting with the advice of the actuary, allocations a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2013, the actuarially required allocation is .74%. The College's contributions for the years ended June 30, 2013, 2012, and 2011 were $57,382, $58,158, and $53,259, respectively, which equaled the required contributions each year.

Health Care Plan - ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code § 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2013, the health care allocation is .16%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statues provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the minimum compensation level was established at $20,525. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The College's contributions assigned to health care for the years ended June 30, 2013, 2012, and 2011 were $77,772, $148,506 and $205,532, respectively.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status. The financial reports of SERS' Health Care and Medicare B plans are included in its Comprehensive Annual Financial Report. The report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

State Teachers Retirement System

STRS Ohio provides access to health care benefits to retirees who participated in the DB or Combined Plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the ORC, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium.

The ORC grants authority to STRS Ohio to provide health care coverage to eligible benefit recipients, spouses and dependents. By Ohio law, health care benefits are not guaranteed and the cost of coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For fiscal year ended June 2012, the State Teachers Retirement Board allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund (latest information available). The College's contributions allocated to health care benefits for the years ended June 30, 2013, 2012, and 2011 were $84,106, $75,281and $68,628, respectively, which equaled the required contributions each year.

NOTE 9 – LEASES

The College leases office equipment under operating leases that have varying expiration dates from June 2013 through October 2016. Future minimum lease payments under these lease agreements at June 30, 2013 are as follows:

Year Ending June 30,	
2014	$ 29,760
2015	29,760
2016	29,760
2017	7,364
	$ 96,644

NOTE 10 – GRANTS, CONTRACTS AND OTHER ASSISTANCE

Miscellaneous amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the management expects such amounts, if any, to be immaterial.

NOTE 11 – RISK MANAGEMENT

Risk Management:

The College is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees other than workers' compensation obtained through the state of Ohio, CTTC vehicle coverage, and natural disasters.

Coverage	Amount	Deductible
Building, Contents, Computer Equipment	Replacement Cost	$ 25,000
Crime – Employee Dishonesty	$ 500,000	2,500
Crime – Forgery/Alteration	500,000	2,500
Crime – Theft, Disappearance and Destruction of Money and Securities (on premises or away)	40,000	2,500
Automobile Liability	1,000,000	None
Automobile – Physical Damage – Collision	Actual Cash Value	500
Automobile – Physical Damage – Comprehensive (other than collision)	Actual Cash Value	500
General Liability (per occurrence)	1,000,000	None
General Aggregate Liability (per policy year)	3,000,000	None
Excess Liability (per occurrence)	15,000,000	50,000
Excess Educators – Legal Liability (per occurrence)	15,000,000	10,000
Liquor Liability (per occurrence)	1,000,000	None
Educators Legal (per occurrence)	1,000,000	10,000
Flood – Each Occurrence and Aggregate	100,000,000	100,000
Earthquake – Each Occurrence and Aggregate	100,000,000	100,000
Ordinance or Law (Demolition and Increased Cost of of Construction)	5,000,000	25,000
Equipment Breakdown (Broiler and Machinery)	100,000,000	25,000
Nurse Professional (Student Professional Liability)	1,000,000	None
Employers Liability	1,000,000	None
Employee Benefits Liability	1,000,000	1,000
Sexual Misconduct (per claim)	1,000,000	None

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the previous year.

NOTE 12 – CLARK STATE COMMUNITY COLLEGE FOUNDATION

Clark State Community College Foundation ("Foundation") is a legally separate, tax-exempt component unit of Clark State Community College ("College"). The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The assets of the Foundation have been given by donors/grantors independent from the College and are governed by a Board of Directors. The 23-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, which the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

The accompanying financial statements of the Foundation have been prepared in accordance with pronouncements of the Financial Accounting Standards Board. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

Contributions to the Foundation 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.

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges are recorded after discounting at 3.52% and 2.76%, respectively, to the present value of future cash flows, for the years ended June 30, 2013 and 2012.

Unconditional promises are expected to be realized in the following periods:

	2013	2012
One year or less	$ 305,252	$ 314,987
Between one and five years	1,068,760	1,153,850
Longer than five years	875,000	1,125,000
	2,249,012	2,593,837
Discount and allowance	(233,484)	(255,636)
Net Pledges	$ 2,015,528	$ 2,338,201

Foundation investments are stated at fair value, with changes in market value being recognized as gains and losses during the period in which they occur.

Fair value of investments held by the Foundation is summarized as follows:

	2013	2012
Equity funds	$ 6,517,789	$ 5,842,543
Bond funds	5,274,196	4,556,864
Money market account and other	2,059,128	2,047,771
	$ 13,851,113	$ 12,447,178

During the years ended June 30, 2013 and 2012, the Foundation distributed $434,540 and $1,532,500, respectively, to the College for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Business Office at 570 East Leffel Lane, Springfield, Ohio 45505.

SUPPLEMENTAL INFORMATION

Name	Title	Term of Office
James N. Doyle	Chairperson	12/01/1998 – 11/30/2016
Heather A. Corbin	Vice-Chairperson	11/30/2008 – 11/30/2014
Andy Bell	Member	03/10/2006 – 11/30/2014
Sharon M. Evans	Member	05/16/2011 – 11/30/2016
Peggy Noonan	Member	08/01/2010 – 11/30/2018
Brad Phillips	Member	10/14/2011 – 11/30/2016
Heather Tiefenthaler	Member	07/01/2010 – 11/30/2014

Legal Counsel
Mia Yaniko
Attorney General's Office
30 E. Broad Street, 15th Floor
Columbus, OH 43215

Name	Title
Karen E. Rafinski, Ph.D.	President
Joseph R. Jackson	Vice President for Business Affairs
Dixie A. Depew	Controller

Employees are bonded by the Cincinnati Insurance Company under blanket bond coverage of $500,000.

Federal Grantor/Pass Through Grantor/Program Title	Grant or Pass Through Number	Federal CFDA Number	Revenues	Expenditures
U.S. Department of Education				
Title IV Program				
Student Financial Aid Cluster:				
Supplemental Educational Opportunity Grant	P007A123254	84.007	$ 173,514	$ 173,514
College Work Study	P033A123254	84.033	175,944	175,944
Pell Grant	P063P122557	84.063	12,695,429	12,695,429
Federal Direct Student Loans	P268K132557	84.268	24,342,653	24,342,653
Total Student Financial Aid Cluster			37,387,540	37,387,540
TRIO Support Services				
TRIO Student Support Services	P042A101486	84.042	212,796	212,796
Total TRIO Support Services			212,796	212,796
Total Title IV Program			37,600,336	37,600,336
Title I Program				
Supply Chain Talent Academic Initiative	PO3092/PO2928	84.048	20,150	20,150
Vocational Education	063370-20C3-2008	84.048	125,134	125,134
Total Title I Program			145,284	145,284
Title III Program				
Title III Program	P031A090165	84.031	460,219	460,219
Title VIII Program				
Training Real-time Writers	P116K100007	84.116K	81,502	81,502
Adult Basic and Literacy Education Program				
Passed through Ohio Hi-Point Career Center				
Basic Grants to States	501-9900	84.002	339,806	339,806
Total U.S. Department of Education			38,627,147	38,627,147
U.S. Department of Commerce				
ARRA - Connect Ohio	21-43-B10546	11.557	27,441	27,441
Total U.S. Department of Commerce			27,441	27,441
U.S. Department of Health and Human Services				
Passed through the Clark County Department of Job and Family Services:				
Temporary Assistance for Needy Families	N/A	93.558	105,600	105,600
Total U.S. Department of Health and Human Services			105,600	105,600
U.S. Department of Defense				
Ohio Environmental Infrastructure Program	N/A	12.118	17,962	17,962
Total U.S. Department of Defense			17,962	17,962
U.S. Department of Homeland Security				
Passed through Ohio Department of Public Safety				
Disaster Grants - Pubic Assistance	023-12D09-000	97.036	2,723	2,723
Total U.S. Department of Homeland Security			2,723	2,723
National Science Foundation				
Education and Human Resources Grants				
Cyberpro	DUE-1204553	47.076	10,104	10,104
Cybersecurity	DUE-0703130	47.076	46,117	46,117
Total Education and Human Resources Grants			56,221	56,221
Total National Science Foundation			56,221	56,221
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 38,837,094	$ 38,837,094

See accompanying notes to the schedule of federal awards.

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Clark State Community College. The Clark State Community College reporting entity is defined in Note 1 to the Clark State Community College's financial statements.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the College's financial statements.

NOTE 3 – LOAN PROGRAMS

The College originates but does not provide funding under the Direct Loan Program. The amount presented represents the value of new Direct Loans awarded by the Department of Education during the year (which includes Stafford Loans and Parents Loans for Undergraduate Students).

CLARK SCHAEFER HACKETT
STRENGTH IN NUMBERS

INDEPENDENT AUDITORS' 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
Clark State Community College
Springfield, Ohio

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 the business-type activities and discretely presented component unit of Clark State Community College (the "College"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon October 15, 2013.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 may exist that have not been identified.

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Compliance and Other Matters
As part of obtaining reasonable assurance about whether the College'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 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*.

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 College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
October 15, 2013

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

Board of Trustees
Clark State Community College
Springfield, Ohio

Report on Compliance for Each Major Federal Program
We have audited the of Clark State Community College's (the "College") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2013. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility
Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program
In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
October 15, 2013

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Noncompliance material to financial statements noted?	None noted

Federal Awards

Internal control over major program:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors' report issued on compliance for major program:	Unmodified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	None noted

Identification of major program:

Student Financial Aid Cluster:
CFDA# 84.007 – Supplemental Educational Opportunity Grant
CFDA# 84.033 – College Work Study
CFDA# 84.063 – Pell Grant
CFDA# 84.268 – Federal Direct Student Loans

Dollar threshold to distinguish between Type A and Type B programs:	$1,165,113
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None noted

Section III – Federal Awards Findings and Questioned Costs

None noted

Section IV – Summary of Prior Audit Findings and Questioned Costs

None reported in prior audit

Dave Yost • Auditor of State

CLARK STATE COMMUNITY COLLEGE

CLARK 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
NOVEMBER 14, 2013

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