



**OHIO ASSOCIATION OF COMMUNITY COLLEGES  
CLARK COUNTY**

**REGULAR AUDIT**

**JULY 1, 1997 - JUNE 30, 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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STATE OF OHIO  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Ohio Association of Community Colleges  
Clark County  
21 East State Street, Suite 900  
Columbus, Ohio 43215

To the Board of Trustees:

We have audited the accompanying financial statements of Ohio Association of Community Colleges, Clark County, Ohio, (the Association) as of and for the years ended June 30, 1999, and 1998. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Association prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balance of the Association as of June 30, 1999, and 1998, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 1999, on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the management, the Board, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

December 29, 1999



**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED JUNE 30, 1999**

	<b>Governmental Fund Type</b>
	<b>General</b>
<b>Cash Receipts:</b>	
Dues	\$230,000
Conference Registration	18,320
Interest on Investments	11,459
All-Ohio Academic Team	5,000
Opinion Survey	21,000
Miscellaneous Revenue	498
Total Cash Receipts	286,277
<b>Cash Disbursements:</b>	
Management Salaries	75,890
Support Staff	28,610
Professional Fees	31,919
Honorarias	3,055
Retirement Contributions	15,253
Medicare Tax Contributions	1,560
Insurance	18,209
Supplies	2,184
Conferences and Committees	6,911
Travel	1,935
Meals and Catering	6,251
Subscriptions	4,378
Organizational Dues and Fees	2,641
Recruitment	583
Printing Supplies	6,827
Telephone	5,796
Freight and Postage	4,651
Equipment Maintenance Contracts	2,991
Rental	27,103
Electric	2,106
Purchased Services	10,209
Equipment	890
Worker's Compensation	454
Miscellaneous	13,727
Total Cash Disbursements	274,133
Excess of Cash Receipts Over Cash Disbursements	12,144
Fund Cash Balance, July 1, 1998	168,302
<b>Fund Cash Balance, June 30, 1999</b>	<b>\$180,446</b>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED JUNE 30, 1998**

Governmental Fund Type

	<u>General</u>
<b>Cash Receipts:</b>	
Dues	\$230,000
Media Buy	297,000
All-Ohio Academic Team	10,450
Conference Registration	<u>13,615</u>
 Total Cash Receipts	 551,065
<b>Cash Disbursements:</b>	
Management Salaries	71,834
Support Staff	21,927
Professional Fees	356,223
Honorarias	3,129
Retirement Contributions	13,667
Medicare Tax Contributions	1,411
Insurance	15,756
Supplies	2,178
Conferences and Committees	10,145
Personnel Development	687
Travel	2,531
Meals and Catering	10,749
Subscriptions	3,038
Organizational Dues and Fees	2,259
Printing Supplies	9,227
Telephone	5,080
Freight and Postage	3,981
Equipment Maintenance Contracts	2,587
Rental	25,440
Electric	1,361
Water and Sewer	151
Natural Gas	175
Purchased Services	9,876
Equipment	3,944
Worker's Compensation	89
Miscellaneous	<u>27,476</u>
 Total Cash Disbursements	 <u>604,921</u>
 Excess of Cash Receipts Under Cash Disbursements	 (53,856)
 Fund Cash Balance, July 1, 1997	 <u>222,158</u>
 <b>Fund Cash Balance, June 30, 1998</b>	 <b><u>\$168,302</u></b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Ohio Association of Community Colleges (the Association) established pursuant to Section 167.01, Revised Code, is a regional council of governments consisting of community, state community, and technical colleges. The purpose of the Association is to establish a cooperative working arrangement among the trustees and presidents of the member colleges to assist them in carrying out their official duties and responsibilities in furtherance of the legitimate public purposes of the colleges, as follows:

- (1) To disseminate and exchange information regarding and affecting state-assisted community, state community, and technical colleges in the State of Ohio;
- (2) To promote action for the common good of the colleges of all member colleges;
- (3) To provide and/or promote opportunities for leadership development and the continuing education of the trustees of the member college boards of trustees;
- (4) To promote within Ohio the goals, objectives, and related activities of the Association; and
- (5) To promote public understanding of the role of Ohio's state-assisted community, state community, and technical colleges.

**Governing Board**

The Association is governed by a Governing Board made up of one trustee designated by each college board of trustees to serve as a delegate, and the president of each such college.

The Governing Board consists only of community college districts existing and operating under Ohio Revised Code Chapter 3354, technical college districts existing and operating under Ohio Revised Code Chapter 3357, and/or state community college districts existing and operating under Ohio Revised Code Chapter 3358.

**Executive Committee**

The Executive Committee acts on behalf of the Association and/or the Governing Board in the interim between meetings of the Board. The Executive Committee is comprised of the officers of the Governing Board, the Legislation Committee Chairperson, the Trustee Education Committee Chair person, one member Trustee, and one member President.

**Legislation Committee**

The Legislation Committee makes recommendations to the Association's Governing Board on all matters pertaining to the community college advocacy effort at the state and national levels. It is comprised of eight members, four being trustees, and four are presidents.

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 1999 AND 1998**  
**(Continued)**

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

**A. Description of the Entity (Continued)**

**Trustee Education Committee**

The Trustee Education Committee makes recommendations to the Association's Governing Board on all efforts aimed at strengthening and improving community college trusteeship. It is comprised of eight members, four trustees, and four presidents.

The Association's management believes these financial statements present all activities for which the Association is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Association has a money market account.

**D. Fund Accounting**

The Association uses fund accounting to segregate cash and investments that are restricted as to use. The Association classifies its fund into the following type:

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources.

**E. Fiscal Agent**

Clark State Community College became the Association's fiscal agent on July 1, 1996. Association funds are maintained in a separate agency fund at the College.

**F. Budgetary Process**

The Bylaws of the Association require the Treasurer to prepare an annual budget and present it to the Governing Board for approval.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**G. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1999 AND 1998  
(Continued)**

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

**H. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Association.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Association maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The Association's carrying amount of cash on deposit with Clark State Community College at June 30, 1998, was \$168,302. The carrying amount of cash and investments at June 30, 1999, was as follows:

	<b>1999</b>
Money Market	\$180,446
Total deposits	180,446

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

Of the bank balance at June 30, 1999:

1. \$100,000 was covered by federal depository insurance.
2. \$80,446 was uninsured and uncollateralized. Non-compliance with federal requirements could potentially subject the Association to a successful claim by the FDIC.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending June 30, 1999 and 1998 follows:

<b>1999 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	322,869	274,133	48,736

  

<b>1998 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	641,500	604,921	36,579

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 1999 AND 1998**  
**(Continued)**

**4. RETIREMENT SYSTEMS**

The Association's employees belong to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Ohio Revised Code Chapter 3309.

The contribution rates are not determined actuarially, but are established by SER's Retirement Board within rates allowed by State. For 1999 and 1998, members of SERS contributed 9% of their wages to SERS. The Association contributed an amount equal to 14% of their wages. The Association has paid all contributions required through June 30, 1999.

**5. RISK MANAGEMENT**

The Association has obtained commercial insurance for the following risks:

- Comprehensive property and general liability

The Association also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

**6. YEAR 2000 ISSUE**

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Association's operations as early as fiscal Year 1999.

Vendor's assurance is given on Year 2000 compliance for the Association's mission critical operations.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Association is or will be Year 2000 ready, that the Association's remediation efforts will be successful in whole or in part, or that parties with whom the Association does business will be year 2000 ready.



STATE OF OHIO  
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Ohio Association of Community Colleges  
Clark County  
21 East State Street, Suite 900  
Columbus, Ohio 43215

To the Board of Trustees:

We have audited the accompanying financial statements of Ohio Association of Community Colleges, Clark County, Ohio (the Association), as of and for the years ended June 30, 1999, and 1998, and have issued our report thereon dated December 29, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Association in a separate letter dated December 29, 1999.

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

**Jim Petro**  
Auditor of State

December 29, 1999



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**OHIO ASSOCIATION OF COMMUNITY COLLEGES**

**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  
FEBRUARY 8, 2000**