

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Financial Statements

June 30, 2000 and 1999

(With Independent Auditors' Report Thereon)



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Board of Trustees  
Owens Community College  
P.O. Box 10,000  
Toledo, OH 43699

We have reviewed the independent auditor's report of the Owens Community College, Wood County, prepared by KPMG LLP, for the audit period July 1, 1999 through June 30, 2000. 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 Owens Community College is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

January 3, 2001

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

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Two Nationwide Plaza  
Columbus, OH 43215-2577

Telephone 614 249 2300  
Fax 614 249 2348

## Independent Auditors' Report

The Board of Trustees  
Owens Community College:

We have audited the accompanying balance sheets of Owens Community College (the College), a component unit of the State of Ohio, as of June 30, 2000 and 1999, and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes for the years then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion 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 *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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Owens Community College as of June 30, 2000 and 1999, and the changes in its fund balances and its current funds revenues, expenditures, and other changes for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 27, 2000 on our consideration of Owens Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

KPMG LLP

October 27, 2000

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Balance Sheets

June 30, 2000 and 1999

Assets	<u>2000</u>	<u>1999</u>	Liabilities and Fund Balances	<u>2000</u>	<u>1999</u>
<b><u>CURRENT FUNDS</u></b>					
<b><u>UNRESTRICTED</u></b>					
Educational and general:			Educational and general:		
Cash and cash equivalents (note 2)	\$ 2,600,827	285,388	Accounts payable	\$ 1,523,563	1,279,430
Investments (note 2)	10,345,044	7,326,048	Salaries, wages, and fringe benefits payable	4,006,193	3,630,467
Accounts receivable, less allowance for doubtful accounts of \$1,650,000 in 2000 and \$1,100,000 in 1999	2,271,975	1,451,905	Deferred revenue	1,097,619	1,227,071
Due from restricted funds	—	389,111	Due to Auxiliary Fund	1,000,000	—
Due from related party	11,275	—	Due to Plant Fund	2,100,000	—
Prepaid expenses and deferred charges	536,380	404,648	Due to related party	—	6,917
			Fund balance	6,038,126	3,713,215
Total educational and general	<u>15,765,501</u>	<u>9,857,100</u>	Total educational and general	<u>15,765,501</u>	<u>9,857,100</u>
Auxiliary enterprises:			Auxiliary enterprises:		
Cash and cash equivalents (note 2)	768,910	1,559,188	Accounts payable	193,887	55,844
Accounts receivable, less allowance for doubtful accounts of \$220,000 in 2000 and \$145,000 in 1999	87,060	109,251	Salaries, wages, and fringe benefits payable	73,643	19,354
Due from Unrestricted Fund	1,000,000	—	Deferred revenue	38,092	—
Inventories	647,869	546,663	Fund balance	2,198,217	2,139,904
Total auxiliary enterprises	<u>2,503,839</u>	<u>2,215,102</u>	Total auxiliary enterprises	<u>2,503,839</u>	<u>2,215,102</u>
Total unrestricted	<u>18,269,340</u>	<u>12,072,202</u>	Total unrestricted	<u>18,269,340</u>	<u>12,072,202</u>
<b><u>RESTRICTED</u></b>					
Educational and general:			Educational and general:		
Cash and cash equivalents (note 2)	53,045	—	Accounts payable	489,993	897,011
Accounts receivable	668,351	1,418,030	Salaries, wages, and fringe benefits payable	12,632	3,011
			Deferred revenue	84,101	290,946
			Due to unrestricted educational and general fund	—	389,111
			Fund balance	134,670	(162,049)
Total restricted	<u>721,396</u>	<u>1,418,030</u>	Total restricted	<u>721,396</u>	<u>1,418,030</u>
Total current funds	<u>\$ 18,990,736</u>	<u>13,490,232</u>	Total current funds	<u>\$ 18,990,736</u>	<u>13,490,232</u>

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Balance Sheets

June 30, 2000 and 1999

<b>Assets, Continued</b>	<b>2000</b>	<b>1999</b>	<b>Liabilities and Fund Balances, Continued</b>	<b>2000</b>	<b>1999</b>
<b><u>LOAN FUNDS</u></b>					
Cash and cash equivalents (note 2)	\$ 209,241	163,649	Fund balance	\$ 815,851	833,383
Notes receivable, less allowance for doubtful accounts of \$257,046 in 2000 and 1999	606,610	669,734			
Total loan funds	\$ 815,851	833,383	Total loan funds	\$ 815,851	833,383
<b><u>PLANT FUNDS</u></b>					
Unexpended:			Unexpended:		
Cash and cash equivalents (note 2)	\$ 4,213,057	4,109,389	Accounts payable	\$ 141,049	59,443
Due from Unrestricted Fund	2,100,000	—	Fund balance	6,172,008	4,049,946
Total unexpended	6,313,057	4,109,389	Total unexpended	6,313,057	4,109,389
Investment in plant (at cost) (note 3):			Investment in plant:		
Land and land improvements	8,647,026	8,389,861	Accounts payable	—	77,449
Buildings and building improvements	57,736,918	49,051,415	Net investment in plant	87,215,257	75,831,948
Equipment, furniture	20,831,313	18,468,121			
Total investment in plant	87,215,257	75,909,397	Total investment in plant	87,215,257	75,909,397
Total plant funds	\$ 93,528,314	80,018,786	Total plant funds	\$ 93,528,314	80,018,786
<b><u>AGENCY FUNDS</u></b>					
Cash and cash equivalents (note 2)	\$ 6,135	42,983	Accounts payable	\$ 436	6,222
			Deposits held in custody for others	5,699	36,761
Total agency funds	\$ 6,135	42,983	Total agency funds	\$ 6,135	42,983

See accompanying notes to the financial statements.

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Statements of Changes in Fund Balances

Years ended June 30, 2000 and 1999

**2000**

	2000							
	Current funds					Loan funds	Plant funds	
	Educational and general	Unrestricted Auxiliary enterprises	Total unrestricted	Restricted Educational and general	Total current funds		Unexpended	Investment in plant
Revenues and other additions:								
Unrestricted current funds revenues	\$ 54,445,462	5,423,081	59,868,543	—	59,868,543	—	—	—
State appropriations – restricted	—	—	—	3,331,481	3,331,481	—	7,882,889	—
Federal and other grants and contracts – restricted	—	—	—	7,941,986	7,941,986	32,799	—	—
Investment income	—	—	—	—	—	2,639	215,000	—
Interest on loans receivable	—	—	—	—	—	24,819	—	—
Expended for plant facilities (including \$3,422,971 charged to current funds expenditures)	—	—	—	—	—	—	—	11,304,643
Other	—	—	—	412,147	412,147	4,101	25,000	—
<b>Total revenues and other additions</b>	<b>54,445,462</b>	<b>5,423,081</b>	<b>59,868,543</b>	<b>11,685,614</b>	<b>71,554,157</b>	<b>64,358</b>	<b>8,122,889</b>	<b>11,304,643</b>
Expenditures and other deductions:								
Educational and general expenditures	48,583,335	—	48,583,335	11,538,883	60,122,218	—	—	—
Auxiliary enterprises expenditures	—	6,008,167	6,008,167	—	6,008,167	—	—	—
Loan cancellations and write-offs	—	—	—	—	—	39,354	—	—
Expended for plant facilities	—	—	—	—	—	—	8,665,990	—
Administration and collection costs	—	—	—	—	—	42,536	—	—
<b>Total expenditures and other deductions</b>	<b>48,583,335</b>	<b>6,008,167</b>	<b>54,591,502</b>	<b>11,538,883</b>	<b>66,130,385</b>	<b>81,890</b>	<b>8,665,990</b>	<b>—</b>
Transfers among funds – additions (deductions):								
Mandatory transfers:								
Grants matching funds	(141,788)	—	(141,788)	141,788	—	—	—	—
Loan funds matching contribution	(8,200)	—	(8,200)	—	(8,200)	8,200	—	—
Nonmandatory transfers:								
Property, plant, and equipment	(2,743,829)	—	(2,743,829)	—	(2,743,829)	—	2,665,163	78,666
Support to auxiliary enterprises	(643,399)	643,399	—	—	—	—	—	—
Support from loan funds	—	—	—	8,200	8,200	(8,200)	—	—
<b>Net transfers</b>	<b>(3,537,216)</b>	<b>643,399</b>	<b>(2,893,817)</b>	<b>149,988</b>	<b>(2,743,829)</b>	<b>—</b>	<b>2,665,163</b>	<b>78,666</b>
<b>Net increase (decrease) in fund balances</b>	<b>2,324,911</b>	<b>58,313</b>	<b>2,383,224</b>	<b>296,719</b>	<b>2,679,943</b>	<b>(17,532)</b>	<b>2,122,062</b>	<b>11,383,309</b>
Fund balances at beginning of year	3,713,215	2,139,904	5,853,119	(162,049)	5,691,070	833,383	4,049,946	75,831,948
Fund balances at end of year	\$ 6,038,126	2,198,217	8,236,343	134,670	8,371,013	815,851	6,172,008	87,215,257

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Statements of Changes in Fund Balances

Years ended June 30, 2000 and 1999

**1999**

	<b>Current funds</b>								
	<b>Unrestricted</b>			<b>Restricted</b>		<b>Total current funds</b>	<b>Loan funds</b>	<b>Plant funds</b>	
	<b>Educational and general</b>	<b>Auxiliary enterprises</b>	<b>Total unrestricted</b>	<b>Educational and general</b>	<b>Total</b>			<b>Unexpended</b>	<b>Investment in plant</b>
Revenues and other additions:									
Unrestricted current funds revenues	\$ 45,761,176	4,835,259	50,596,435	—	50,596,435	—	—	—	—
State appropriations – restricted	—	—	—	3,841,455	3,841,455	—	391,792	—	—
Federal and other grants and contracts – restricted	—	—	—	7,309,131	7,309,131	—	—	—	—
Investment income	—	—	—	—	—	1,108	90,000	—	—
Interest on loans receivable	—	—	—	—	—	13,922	—	—	—
Expended for plant facilities (including \$2,572,923 charged to current funds expenditures)	—	—	—	—	—	—	—	—	3,922,647
Related-party contribution (note 7)	—	—	—	—	—	—	35,000	—	—
Other	—	—	—	14,254	14,254	3,922	12,450	—	—
Total revenues and other additions	<u>45,761,176</u>	<u>4,835,259</u>	<u>50,596,435</u>	<u>11,164,840</u>	<u>61,761,275</u>	<u>18,952</u>	<u>529,242</u>	<u>3,922,647</u>	<u>—</u>
Expenditures and other deductions:									
Educational and general expenditures	43,718,523	—	43,718,523	11,473,948	55,192,471	—	—	—	—
Auxiliary enterprises expenditures	—	5,030,549	5,030,549	—	5,030,549	—	—	—	—
Loan cancellations and write-offs	—	—	—	—	—	25,655	—	—	—
Expended for plant facilities	—	—	—	—	—	—	1,349,724	—	—
Administration and collection costs	—	—	—	—	—	2,104	—	—	—
Disposals and write-offs of plant facilities	—	—	—	—	—	—	—	—	7,418,667
Total expenditures and other deductions	<u>43,718,523</u>	<u>5,030,549</u>	<u>48,749,072</u>	<u>11,473,948</u>	<u>60,223,020</u>	<u>27,759</u>	<u>1,349,724</u>	<u>7,418,667</u>	<u>—</u>
Transfers among funds – additions (deductions):									
Mandatory transfers – grants matching funds	(131,572)	—	(131,572)	131,572	—	—	—	—	—
Nonmandatory transfers:									
Property, plant, and equipment	(259,533)	—	(259,533)	—	(259,533)	—	259,533	—	—
Support to auxiliary enterprises	(533,951)	533,951	—	—	—	—	—	—	—
Net transfers	<u>(925,056)</u>	<u>533,951</u>	<u>(391,105)</u>	<u>131,572</u>	<u>(259,533)</u>	<u>—</u>	<u>259,533</u>	<u>—</u>	<u>—</u>
Net increase (decrease) in fund balances	1,117,597	338,661	1,456,258	(177,536)	1,278,722	(8,807)	(560,949)	(3,496,020)	—
Fund balances at beginning of year	2,595,618	1,801,243	4,396,861	15,487	4,412,348	842,190	4,610,895	79,327,968	—
Fund balances at end of year	<u>\$ 3,713,215</u>	<u>2,139,904</u>	<u>5,853,119</u>	<u>(162,049)</u>	<u>5,691,070</u>	<u>833,383</u>	<u>4,049,946</u>	<u>75,831,948</u>	<u>—</u>

See accompanying notes to the financial statements.



**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Statements of Current Funds Revenues, Expenditures, and Other Changes

Years ended June 30, 2000 and 1999

	2000					1999				
	Educational and general	Unrestricted Auxiliary enterprises	Total unrestricted	Restricted Educational and general	Total current funds	Educational and general	Unrestricted Auxiliary enterprises	Total unrestricted	Restricted Educational and general	Total current funds
Revenues:										
Tuition, fees, and other student charges	\$ 22,238,823	—	22,238,823	—	22,238,823	19,709,623	—	19,709,623	—	19,709,623
State appropriations	30,705,501	9,343	30,714,844	3,331,481	34,046,325	24,784,120	—	24,784,120	3,841,455	28,625,575
Federal and other grants	286,581	105,119	391,700	7,941,986	8,333,686	24,940	80,459	105,399	7,309,131	7,414,530
Sales and services	185,265	5,209,362	5,394,627	—	5,394,627	336,230	4,719,006	5,055,236	—	5,055,236
Other	1,029,292	99,257	1,128,549	412,147	1,540,696	906,263	35,794	942,057	14,254	956,311
<b>Total revenues</b>	<b>54,445,462</b>	<b>5,423,081</b>	<b>59,868,543</b>	<b>11,685,614</b>	<b>71,554,157</b>	<b>45,761,176</b>	<b>4,835,259</b>	<b>50,596,435</b>	<b>11,164,840</b>	<b>61,761,275</b>
Expenditures and mandatory transfers:										
Educational and general:										
Instructional and departmental research	23,001,485	—	23,001,485	396,487	23,397,972	20,442,473	—	20,442,473	798,212	21,240,685
Institutional research	121,429	—	121,429	—	121,429	182,467	—	182,467	—	182,467
Public service	1,814,144	—	1,814,144	654,015	2,468,159	1,405,788	—	1,405,788	411,382	1,817,170
Academic support	2,446,767	—	2,446,767	—	2,446,767	2,362,257	—	2,362,257	—	2,362,257
Student services	5,706,911	—	5,706,911	274,183	5,981,094	5,431,002	—	5,431,002	322,560	5,753,562
Institutional support	7,647,436	—	7,647,436	19,913	7,667,349	6,864,111	—	6,864,111	—	6,864,111
Operation and maintenance of plant	7,551,810	—	7,551,810	—	7,551,810	6,649,837	—	6,649,837	—	6,649,837
Scholarships and other student aid	293,353	—	293,353	10,194,285	10,487,638	380,588	—	380,588	9,941,794	10,322,382
<b>Total educational and general expenditures</b>	<b>48,583,335</b>	<b>—</b>	<b>48,583,335</b>	<b>11,538,883</b>	<b>60,122,218</b>	<b>43,718,523</b>	<b>—</b>	<b>43,718,523</b>	<b>11,473,948</b>	<b>55,192,471</b>
Mandatory transfers:										
Grants matching funds	141,788	—	141,788	(141,788)	—	131,572	—	131,572	(131,572)	—
Loan funds matching contributions	8,200	—	8,200	—	8,200	—	—	—	—	—
<b>Total educational and general</b>	<b>48,733,323</b>	<b>—</b>	<b>48,733,323</b>	<b>11,397,095</b>	<b>60,130,418</b>	<b>43,850,095</b>	<b>—</b>	<b>43,850,095</b>	<b>11,342,376</b>	<b>55,192,471</b>
Auxiliary enterprises	—	6,008,167	6,008,167	—	6,008,167	—	5,030,549	5,030,549	—	5,030,549
<b>Total expenditures and mandatory transfers</b>	<b>48,733,323</b>	<b>6,008,167</b>	<b>54,741,490</b>	<b>11,397,095</b>	<b>66,138,585</b>	<b>43,850,095</b>	<b>5,030,549</b>	<b>48,880,644</b>	<b>11,342,376</b>	<b>60,223,020</b>
Other transfers and additions (deductions):										
Property, plant, and equipment	(2,743,829)	—	(2,743,829)	—	(2,743,829)	(259,533)	—	(259,533)	—	(259,533)
Support to auxiliary enterprises	(643,399)	643,399	—	—	—	(533,951)	533,951	—	—	—
Support from loan funds	—	—	—	8,200	8,200	—	—	—	—	—
<b>Net other transfers and additions (deductions)</b>	<b>(3,387,228)</b>	<b>643,399</b>	<b>(2,743,829)</b>	<b>8,200</b>	<b>(2,735,629)</b>	<b>(793,484)</b>	<b>533,951</b>	<b>(259,533)</b>	<b>—</b>	<b>(259,533)</b>
<b>Net increase (decrease) in fund balances</b>	<b>\$ 2,324,911</b>	<b>58,313</b>	<b>2,383,224</b>	<b>296,719</b>	<b>2,679,943</b>	<b>1,117,597</b>	<b>338,661</b>	<b>1,456,258</b>	<b>(177,536)</b>	<b>1,278,722</b>

See accompanying notes to the financial statements.

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Notes to the Financial Statements

June 30, 2000

**(1) Summary of Significant Accounting Policies**

**(a) Organization**

Owens Community College (the College) was created pursuant to section 3357 of the Ohio Revised Code. In November 1993, the Ohio Board of Regents approved changing the status of the College from a technical college to a community college, pursuant to section 3358 of the Ohio Revised Code. Subsequent to June 30, 1994, the College changed its legal name to Owens State Community College, but operates under the name Owens Community College. The College's purpose is to provide instruction in post-secondary education programs to residents of the College's district. Students who satisfactorily complete such programs receive associate degrees or certificates in liberal arts and sciences, technical, or professional fields.

The College is a component unit of the State of Ohio (the State). The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14 in that the financial statements include those activities and functions over which the State is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the State's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit or impose a financial burden on the State. The College does not have any component units.

**(b) Financial Statement Presentation**

The financial statements of the College have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

The statements of current funds revenues, expenditures, and other changes are statements of financial activities of current funds related to the current reporting periods. They do not purport to present the results of operations or the net income or loss for the periods as would statements of income or statements of revenues and expenses.

**(c) Fund Accounting**

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the College, the accounts of the College are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the board of trustees. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds, over which the governing board retains full control to use in achieving any of its institutional purposes.

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Notes to the Financial Statements

June 30, 2000

All gains and losses arising from the sale, collection, or other disposition of investments or other noncash assets are based on cost or, in the case of acquisitions by gift, on market value at the date of receipt, and are accounted for in the fund which owned such assets. Ordinary income derived from investments is accounted for in the fund owning such assets.

All other unrestricted revenue is accounted for in the unrestricted current fund. Restricted gifts, grants, appropriations, and other restricted resources are accounted for in the appropriate restricted funds. Restricted current funds are reported as revenues and expenditures when expended for current operating purposes.

**(d) *Loan Funds***

Loan funds consist principally of loans made under the federal Perkins Loan Program, sponsored by the federal government.

**(e) *Deferred Revenue***

In accordance with the State of Ohio policy of recording instructional revenues in the year in which the courses are principally conducted, the College defers certain revenues at June 30 that are applicable to courses conducted subsequent to June 30.

**(f) *Cash and Cash Equivalents***

Cash and cash equivalents consist of cash on hand and demand deposits with banks.

**(g) *Investments***

Investments are carried at fair value.

**(h) *Inventories***

Inventories consist principally of merchandise in the College's bookstores and are stated at the lower of cost or market (net realizable value), using the first-in, first-out (FIFO) method.

**(i) *Investment in Plant***

Land and land improvements, buildings, equipment, furniture, and construction in progress are stated at cost at the date of acquisition or fair market value at the date of gift. To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and furniture; (2) mandatory transfers, in the case of required provisions for equipment renewal and replacement; and (3) nonmandatory transfers approved by the board of trustees, in the case of capital projects and for all other cases. Depreciation on physical plant and equipment is not recorded.

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Notes to the Financial Statements

June 30, 2000

**(j) Sick Leave**

College employees accumulate sick leave at a rate of 15 days per year. It is the policy of the College that, upon retirement from the College, an employee with ten years or more of service may receive one-fourth of his or her accumulated unused sick leave up to a maximum of 44.5 days. Payments at retirement for accumulated sick leave are calculated using the rate of compensation at the date of retirement. The College's policy is to accrue all sick leave for which payment is deemed probable.

**(k) Vacation Benefits**

Vacation expense is recognized as earned in the statement of current funds revenues, expenditures, and other changes. The accumulated unpaid vacation time is recorded as a liability on the balance sheet.

**(l) Budgetary Process**

Annually, the Business Affairs Office develops a balanced budget for the College based on projected expenditures from department directors and anticipated revenue, including tuition and fees and the subsidy from the Ohio Board of Regents. The board of trustees approves the budget.

**(m) Income Taxes**

Income taxes have not been provided on the general operations of the College because, as a state institution, its income is exempt from Federal income taxes under section 115 of the Internal Revenue Code.

**(n) Use of Estimates**

Management of the College has made estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

**(2) Cash and Investments**

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company but does operate in a manner consistent with Rule 2a-7 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 June 30, 2000.

Cash balances are combined into one pool for making daily cash and investment transactions.

**OWENS COMMUNITY COLLEGE**  
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Notes to the Financial Statements

June 30, 2000

Governmental Accounting Standards Board (GASB) Statement No. 3, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, requires cash and cash equivalents and investments held by the College to be categorized into the following credit risk categories:

**(a) Cash and Cash Equivalents**

1. Insured or collateralized with securities held by the College or by its agent in the College's name.
2. Collateralized with securities held by the pledging financial institution's trust department or agent.
3. Uncollateralized.

**(b) Investments**

1. Insured or registered, with securities held by the College or by its agent in the College's name.
2. Uninsured and unregistered, with securities held by the broker's trust department or agent in the College's name.
3. Uninsured and unregistered, with securities held by the broker or by its trust department or agent, but not in the College's name.

At June 30, 2000, the carrying amount of the College's cash and cash equivalents for all funds was \$7,851,215. The difference in the carrying amount and the bank balance of \$8,965,820 is caused by items in transit and outstanding checks. Of the bank balance, \$321,130 was covered by federal depository insurance and \$8,644,690 was uncollateralized (category 3). All uncollateralized deposits are covered by a pledged collateral pool.

Investments at June 30, 2000 consist of the investment in STAR Ohio of \$10,345,044. GASB Statement No. 3 does not require STAR Ohio assets to be categorized.

**(3) State Support**

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

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Notes to the Financial Statements

June 30, 2000

In addition to the student subsidy, the State provides the funding for construction of major plant facilities on the College's campus. The State's funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission, which in turn causes the construction and subsequent lease of the facility by the Ohio Board of Regents. The Ohio Public Facilities Commission distributes construction funds to the College through appropriations. Upon completion of a facility, the Ohio Board of Regents transfers control to the College and the cost of the facility is recorded on the College's balance sheet. Construction in progress for any portion of the facilities being financed by State agencies for use by the College is recorded on the College's books of account as costs are incurred.

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 Bond Service Fund, established in the custody of the Treasurer of State. If sufficient monies are not available from this fund, a special student fee may be assessed uniformly to students in state-assisted institutions of higher education throughout the State.

Outstanding debt issued by the Ohio Public Facilities Commission is not included on the College's balance sheet. In addition, the appropriations by the Ohio General Assembly to the Ohio Board of Regents for payment of debt service are not shown as appropriation revenue received by the College and the related debt service payments are not recorded in the College's financial statements.

**(4) Retirement Plans**

The College contributes to two cost-sharing, multiple-employer defined benefit plans: (1) School Employees Retirement System (SERS), and (2) State Teachers Retirement System of Ohio (STRS). Both plans provide retirement, disability, 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) for SERS and Chapter 3307 for STRS. SERS and STRS issue stand-alone financial reports. Interested parties may obtain a copy by making a written request to 45 North Fourth Street, Columbus, Ohio, 43215-3634, or by calling (614) 222-5853 for SERS, and 275 East Broad Street, Columbus, Ohio, 43215-3771, or by calling (614) 227-4090 for STRS.

The funding policy for the above plans is as follows:

*SERS:* The ORC provides statutory authority for employee and employer contributions. During 2000, SERS employees contributed 9.0% of their salary to the plan and the College contributed 14.0% of covered payrolls to the plan. The total employer contributions to SERS for the years ended June 30, 1998, 1999, and 2000 were \$914,000, \$1,041,000, and \$1,218,000, respectively, which were equal to the required contributions for each year.

*STRS:* The ORC provides statutory authority for employee and employer contributions. During 2000, STRS employees contributed 9.3% of their salary to the plan and the College contributed 14.0% of covered payrolls to the plan. The total employer contributions to STRS for the years ended June 30, 1998, 1999, and 2000 were \$2,084,000, \$2,209,000, and \$2,422,000, respectively, which were equal to the required contributions for each year.

**OWENS COMMUNITY COLLEGE**  
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Notes to the Financial Statements

June 30, 2000

Ohio Amended Substitute House Bill 586 (Ohio Revised Code 3305.2) became effective March 31, 1998, authorizing an alternative retirement system for academic and administrative college employees of public institutions of higher education, who are currently covered by the State Teachers Retirement System. The Owens Community College board of trustees adopted such a plan effective February 1999. This plan is a defined contribution plan under IRS section 401(a).

Eligible employees (those who are full-time and salaried) have 90 days from their date of hire to make an irrevocable election to participate in the alternate retirement plan. Under this plan, employees who would have otherwise been required to be in STRS and who elect to participate in the alternate retirement program must contribute the employee's share of retirement contributions (9.3% STRS) to one of eight private providers approved by the State Department of Insurance. The legislation mandates that the employer must contribute 6% to the state retirement system to which the employee would have otherwise belonged. The employer also contributes what would have been the employer's share of the appropriate retirement system, less the aforementioned 6%, to the private provider selected by the employee. The College plan provides these employees with immediate plan vesting. The total employer contribution to the alternative retirement plan for the years ended June 30, 2000 and 1999 was \$44,000 and \$-0-, respectively.

**(5) Postemployment Benefits Other than Pension Benefits**

In addition to the pension benefits described in note 4, the Ohio Revised Code provides the statutory authority requiring the College to fund postretirement health care through employer contributions to SERS and STRS.

**(a) SERS**

SERS provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB), as described in GASB Statement No. 12. A portion of each employer's contribution to SERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 1999 employer contribution rate for state employers was 14% of covered payroll; 6.3% was the portion that was used to fund health care for the year.

OPEB's are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB during 1999 were \$126.4 million. As of June 30, 1999, the audited net assets available for future OPEB payments were \$188 million. The number of eligible benefit recipients for SERS was 51,000.

**OWENS COMMUNITY COLLEGE**  
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Notes to the Financial Statements

June 30, 2000

**(b) STRS**

STRS provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs, and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the ORC, STRS has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium.

By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer's contribution rate, currently 14% of covered payroll.

The STRS board currently allocates employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund, from which payments for health care benefits are paid. The balance in the Health Care Reserve Fund was approximately \$2.8 million at June 30, 1999. The Health Care Reserve Fund allocation for the year ended June 30, 2000 will be 8% of covered payroll.

For the year ended June 30, 1999, the net health care costs paid by STRS were \$297.8 million. There were 95,796 eligible benefit recipients.

**(6) Commitments and Contingencies**

**(a) Federal and State Grants**

The College participates in certain state and federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Until such audits are completed, there is a possibility that some portions of such grants may have to be refunded. Management of the College believes there will be no material adjustments to the grants and, accordingly, has not recorded a provision for possible repayments under the above programs.

The College also participates in several United States Government student loan programs. Such programs are required to comply with requirements determined by the Department of Education and are subject to audit and adjustments. Such adjustments could result in requests for reimbursement by the department for costs which may be disallowed as appropriate expenses under the grant terms. Management believes disallowances, if any, will not be material.

**(b) Buildings and Site Improvements**

The College is in the process of constructing various buildings and certain other site improvements on the campus through State appropriations (see note 3). Estimated remaining costs for these projects are approximately \$0-, which has been appropriated by the State to fund the projects as of June 30, 2000 but is not yet available to be drawn by the College. State appropriations are still subject to budgetary requirements of the State of Ohio and therefore may not be fully realized; however, management of the College believes all such appropriations will be realized. The College recorded such appropriations as revenue in the year indicated by the State.



**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Notes to the Financial Statements

June 30, 2000

**(7) Related Party**

The College is affiliated with the Owens State Community College Foundation (the Foundation), which was established in June 1996 by the trustees of the College through signing a resolution that transferred all assets, liabilities, principal, and income from the Michael J. Owens Technical College Charitable Trust (the Trust) to the Foundation. The Internal Revenue Service had determined the Trust to be exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Foundation has been determined to be exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Service Code. The Foundation reimburses the College for certain educational expenses. The College received \$57,997 and \$117,014 from the Foundation in 2000 and 1999, respectively.

**(8) Risk Management**

During the normal course of operations, the College has become a defendant in various legal actions. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. However, in the opinion of legal counsel and College management, the disposition of all pending litigation will not have a material adverse effect on the financial condition of the College.

The College carries commercial insurance to cover various general liability risks, auto liability, property and boiler, and umbrella excess liability. The College believes in minimizing its risks through the procurement of the aforementioned coverage. Liabilities exceeding the umbrella excess and deductible amounts are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Management believes that incurred but not reported claims, if any, are immaterial.

The College maintains a split-funded health insurance program. Prevention of catastrophic losses is maintained through both individual and aggregate stop loss coverage. The College's cost during the year for this program is for the payment of claims, third-party claims administration, and stop loss coverage.

Changes in the balances of claims liabilities for the health insurance reserves are as follows:

	<b>2000</b>	<b>1999</b>
Unpaid claims – July 1	\$ 347,295	293,094
Incurred claims	2,433,640	2,320,262
Claim payments	(2,434,538)	(2,266,061)
Unpaid claims – June 30	\$ 346,397	347,295

This liability is the College's best estimate based on subsequent payments and known information, and is included in salaries, wages, and fringe benefits payable. The College participates in the State of Ohio Workers' Compensation Program.

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Notes to the Financial Statements

June 30, 2000

**(9) New Pronouncements**

The College will be required to implement the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*, effective for fiscal year ended June 30, 2001, and Statement No. 35, *Basic Financial Statements – and Management Discussion and Analysis – for Public Colleges and Universities*, effective for fiscal year ended June 30, 2002. These Statements may have a material impact on the presentation of the financial statements of the College. College management has not yet determined the impact of the implementation on the College's financial statements.

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

OMB Circular A-133 Audit Report

Year Ended June 30, 2000

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

OMB Circular A-133 Audit Report

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**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Schedule of Expenditures of Federal Awards

Year ended June 30, 2000

<u>Federal grantor/pass-through grantor/ program title</u>	<u>Federal CFDA number</u>	<u>Agency or pass-through number</u>	<u>Federal expenditures</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Program	84.007	N/A	\$ 207,919
Federal Family Education Loan Program	84.032	N/A	10,306,282
Federal Work-Study Program	84.033	N/A	290,931
Federal Perkins Loan Program	84.038	N/A	81,890
Federal Pell Grant Program	84.063	N/A	<u>6,780,855</u>
Total Student Financial Assistance Cluster			<u>17,667,877</u>
Vocational education (Perkins II)	84.048	VECP11-P2000-500	127,052
Passed through from the State of Ohio Department of Education:			
Adult Basic and Literacy Education (ABLE) Grants:			
Adult Basic and Literacy Education	84.002	074864-AB-S1-00	88,801
Adult Basic and Literacy Education	84.002	074864-AB-SL-00	207,193
Adult Basic and Literacy Education	84.002	074864-AB-S1-99	1,558
Adult Basic and Literacy Education	84.002	074864-AB-SS-99C	3,189
Adult Basic and Literacy Education	84.002	074864-AB-SS-99	<u>40,315</u>
Total Adult Basic and Literacy Education Grants			<u>341,056</u>
Passed through from University of Toledo –			
Project Open House	84.024	N/A	2,500
Technical preparation	84.243	N/A	<u>17,890</u>
Total Department of Education			18,156,375
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through from Columbus State Community College via the State of Ohio Board of Regents and the State of Ohio Department of Human Services – Ohio Job Prep Program			
	93.561	N/A	27,977
<b>U.S. DEPARTMENT OF LABOR</b>			
Passed through from Toledo Private Industry Council Grant	17.250	151-20-96	115,180
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Partnership for Environmental Technology Education – energy efficiency/pollution prevention program	66.606	N/A	<u>719</u>
Total expenditures of federal awards			<u>\$ 18,300,251</u>

See accompanying notes to schedule of expenditures of federal awards.

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2000

**(1) General**

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of federal award programs of Owens Community College. Owens Community College's reporting entity is defined in note 1 to its financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through government agencies, are included on the Schedule. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**(2) Basis of Accounting**

The accompanying Schedule is prepared using the accrual basis of accounting.

**(3) Federal Loan Programs**

As of June 30, 2000, loans outstanding under the Federal Perkins Loan Program (CFDA #84.038) amounted to \$854,053. This loan balance is not included in the federal expenditures presented in the Schedule.



Two Nationwide Plaza  
Columbus, OH 43215-2577

Telephone 614 249 2300  
Fax 614 249 2348

**Report on Compliance and on Internal Control Over Financial Reporting  
Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

The Board of Trustees  
Owens Community College:

We have audited the financial statements of Owens Community College (the College) as of and for the year ended June 30, 2000 and have issued our report thereon dated October 27, 2000. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the College'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 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College'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 internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the College's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 00-1.

A material weakness is a condition in which the design or operation of one or more 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. Our consideration of the internal control over financial reporting would not necessarily disclose matters in the internal control that might be a reportable condition and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness. We also noted other matters involving internal control over financial reporting, which we have reported to management of Owens Community College in a separate letter dated October 27, 2000.

This report is intended solely for the information and use of the Audit Committee, management, and federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

KPMG LLP

October 27, 2000





Two Nationwide Plaza  
Columbus, OH 43215-2577

Telephone 614 249 2300  
Fax 614 249 2348

**Report on Compliance with Requirements Applicable to Each Major Program  
and on Internal Control Over Compliance in Accordance with OMB Circular A-133,  
and Schedule of Expenditures of Federal Awards**

The Board of Trustees  
Owens Community College:

Compliance

We have audited the compliance of Owens Community College (the College) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The College's major federal program is identified in the Summary of Auditors' Results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

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 consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 00-2.

Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the College's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 00-2.

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 noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the College as of and for the year ended June 30, 2000 and have issued our report thereon dated October 27, 2000. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Audit Committee, management, and federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

KPMG LLP

October 27, 2000

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Schedule of Findings and Questioned Costs

Year ended June 30, 2000

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

(a)	The type of report issued on the financial statements:	Unqualified
(b)	Reportable condition in internal control were disclosed by the audit of the financial statements:	Yes
	Material weaknesses:	No
(c)	Noncompliance which is material to the financial statements:	No
(d)	Reportable conditions in internal control over major program:	Yes
	Material weaknesses:	No
(e)	The type of report issued on compliance for major program:	Unqualified
(f)	Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133:	Yes
(g)	Major program: Student Financial Assistance Cluster (CFDA #84.007; 84.032; 84.033; 84.038 and 84.063)	
(h)	Threshold used to distinguish between Type A and Type B programs	\$ 542,141
(i)	Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133:	Yes

**SECTION II – FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Finding 00-1**

<b>Criteria:</b>	The schedule of expenditures of federal awards should be reconciled to the general ledger.
<b>Condition:</b>	The schedule of expenditures of federal awards was not reconciled to the general ledger.
<b>Effect:</b>	The effect is that expenditures will be either over/under stated.
<b>Recommendation:</b>	The schedule of expenditures of federal awards should be reconciled to the general ledger.

**OWENS COMMUNITY COLLEGE**  
(A Component Unit of the State of Ohio)

Schedule of Findings and Questioned Costs

Year ended June 30, 2000

**SECTION III – FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS**

**Finding 00-2**

**Grant Program/CFDA#:** Student Financial Assistance Cluster/CFDA #84.007; #84.032; #84.033; #84.038 and #84.063

**Requirement:** *Special Tests and Provisions – Refunds:* If the student withdraws any time after the first day of classes up to and including the first 10% (in time) of the enrollment period, the institution must refund at least 90% of institutional charges, less an administrative fee, if any, not to exceed the lesser of 5% of \$100.

**Finding:** A sample of students was tested relative to refund calculations. One student did not have a refund calculation performed. The student had stopped attending within the first 10% of enrollment period, and the professor had not provided the last day of attendance form to the financial aid department. No refund calculation was performed. Based on A-133 requirements, 90% of the student's institutional charges, less an administrative fee, if any, not to exceed the lesser of 5% or \$100, should have been returned to the Department of Education.

**Questioned Costs:** None

**Systematic or Isolated:** Isolated

**Effect of Finding:** Refund calculations may not have been performed for other students who did not officially withdraw and therefore federal funding may not have been returned to the awarding agency.

**Recommendation:** The system should be designed to identify all students who have unofficially withdrawn from classes so that refund calculations can be performed and funds returned to the awarding agency.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**OWENS COMMUNITY COLLEGE**

**WOOD 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  
JANUARY 16, 2001**