



**Auditor of State
Betty Montgomery**

**OHIO ASSOCIATION OF COMMUNITY COLLEGES
CLARK COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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 the Ohio Association of Community Colleges, Clark County (the Association), as of and for the years ended June 30, 2003, and 2002. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Ohio Association of Community Colleges, Clark County, as of June 30, 2003, and 2002, 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 November 3, 2003, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Ohio Association of Community Colleges
Clark County
Independent Accountants' Report
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This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

November 3, 2003

**OHIO ASSOCIATION OF COMMUNITY COLLEGES
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2003**

	Governmental Fund Type
	General
Cash Receipts:	
Dues	\$325,000
Conference Registration	23,505
Interest on Investments	3,906
All-Ohio Academic Team	38,785
Miscellaneous Revenue	10
	391,206
Cash Disbursements:	
Management Salaries	104,000
Support Staff	51,363
Professional Fees	11,367
Honorarias	4,050
Retirement Contributions	22,102
Medicare Tax Contributions	2,220
Insurance	15,742
Supplies	3,666
Conferences & Committees	13,941
Personnel Development	368
Travel	2,476
Meals & Catering	19,328
Subscriptions	5,570
Organizational Dues & Fees	2,308
Printing Supplies	14,467
Telephone	6,207
Freight & Postage	2,206
Equipment Maint. Contracts, Maint. & Repair	7,890
Rentals	36,836
Utilities	2,019
Purchased Services	12,115
Equipment	918
Workers Compensation	316
Miscellaneous	38,919
	380,394
Total Cash Receipts Over Cash Disbursements	10,812
Cash Balance, July 1	130,915
Cash Balance, June 30	\$141,727

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

**OHIO ASSOCIATION OF COMMUNITY COLLEGES
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2002**

	Governmental Fund Type
	General
Cash Receipts:	
Dues	\$298,000
Conference Registration	25,070
Interest on Investments	7,959
All-Ohio Academic Team	41,250
Miscellaneous Revenue	78
	372,357
Cash Disbursements:	
Management Salaries	100,000
Support Staff	48,074
Professional Fees	18,574
Honorarias	1,400
Retirement Contributions	21,587
Medicare Tax Contributions	2,122
Insurance	14,319
Supplies	2,274
Conferences & Committees	16,025
Personnel Development	415
Travel	8,186
Meals & Catering	15,531
Subscriptions	5,545
Organizational Dues & Fees	2,322
Printing Supplies	24,836
Telephone	6,076
Freight & Postage	3,455
Equipment Maint. Contracts, Maint. & Repair	4,753
Rentals	26,783
Utilities	1,669
Purchased Services	14,215
Equipment	2,987
Workers Compensation	331
Miscellaneous	42,745
Total Cash Disbursements	384,224
Total Cash Receipts (Under) Cash Disbursements	(11,867)
Cash Balance, July 1	142,782
Cash Balance, June 30	\$130,915

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

**OHIO ASSOCIATION OF COMMUNITY COLLEGES
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003 AND JUNE 30, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Ohio Association of Community Colleges (the Association) was established pursuant to Section 167.01, Revised Code, as 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:

- A. To disseminate and exchange information regarding and affecting state-assisted community, state community, and technical colleges in the State of Ohio;
- B. To promote action for the common good of the colleges of all member colleges;
- C. To provide and/or promote opportunities for leadership development and the continuing education of the trustees of the member college boards of trustees;
- D. To promote within Ohio the goals, objectives, and related activities of the Association; and
- E. 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.

**OHIO ASSOCIATION OF COMMUNITY COLLEGES
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003 AND JUNE 30, 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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

Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

D. Fund Accounting

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

1. 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.

**OHIO ASSOCIATION OF COMMUNITY COLLEGES
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003 AND JUNE 30, 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2003 and 2002 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.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Association's basis of accounting.

2. CASH AND INVESTMENTS

The Association invests all of its funds in STAR Ohio. The carrying amount of investments at June 30, were as follows:

	2003	2002
Star Ohio	\$141,727	\$130,915

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending June 30, 2003, and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$400,000	\$391,206	(\$8,794)

**OHIO ASSOCIATION OF COMMUNITY COLLEGES
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003 AND JUNE 30, 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$425,000	\$380,394	\$44,606

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$370,000	\$372,357	\$2,357

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$400,000	\$384,224	\$15,776

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 2003 and 2002, 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, 2003.

5. RISK MANAGEMENT

Commercial Insurance

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.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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 the Ohio Association of Community Colleges, Clark County (the Association), as of and for the years ended June 30, 2003 and 2002, and have issued our report thereon dated November 3, 2003. 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 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 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 non-compliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Association in a separate letter dated November 3, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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.

Ohio Association of Community Colleges
Clark County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

November 3, 2003



**Auditor of State
Betty Montgomery**

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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
DECEMBER 16, 2003**