



Mary Taylor, CPA
Auditor of State

**OHIO ASSOCIATION OF COMMUNITY COLLEGES
CLARK COUNTY**

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Mary Taylor, CPA
Auditor of State

Ohio Association of Community Colleges
Clark County
175 South Third Street, Suite 560
Columbus, Ohio 43215

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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Auditor of State

January 8, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Ohio Association of Community Colleges
Clark County
175 South Third Street, Suite 560
Columbus, Ohio 43215

To the Board of Trustees:

We have audited the accompanying financial statements of Ohio Association of Community Colleges, Clark County, (the Association) as of and for the years ended June 30, 2009 and 2008. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Association has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Association's larger (i.e. major) funds separately. While the Association does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Associations to reformat their statements. The Association has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended June 30, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Association as of June 30, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Ohio Association of Community Colleges, Clark County, as of June 30, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Association has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2010, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 8, 2010

**OHIO ASSOCIATION OF COMMUNITY COLLEGES
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGE IN CASH BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Governmental Fund Type</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
Cash Receipts:			
Intergovernmental		\$1,218,000	\$1,218,000
Dues	\$561,080		561,080
Conference Registration	28,860		28,860
Interest on Investments	15,368		15,368
All-Ohio Academic Team	20,850		20,850
Miscellaneous	52,440		52,440
Total Cash Receipts	<u>678,598</u>	<u>1,218,000</u>	<u>1,896,598</u>
Cash Disbursements:			
Management Salaries	233,987		233,987
Support Staff	20,553		20,553
Professional Fees	91,660	199,314	290,974
Retirement Contributions	37,239		37,239
Medicare Tax Contributions	3,706		3,706
Insurance	44,874		44,874
Supplies	2,670		2,670
Conferences & Committees	36,254	31,062	67,316
Travel	218	5,179	5,397
Meals & Catering	45,049		45,049
Subscriptions & Publications	595	1,044	1,639
Organizational Dues & Fees	1,995		1,995
Printing Supplies	2,312		2,312
Recruitment & Public Announcements	1,943		1,943
Telephone	7,286		7,286
Freight and Postage	1,149		1,149
Equipment Maint. Contracts, Maint. & Repair	7,428		7,428
Rentals	16,272		16,272
Purchased Services	4,195		4,195
Personal Development		2,720	2,720
Equipment	21,445	16,849	38,294
Workers Compensation	3,092		3,092
Administrative Overhead		71,800	71,800
Miscellaneous	7,342		7,342
Total Cash Disbursements	<u>591,264</u>	<u>327,968</u>	<u>919,232</u>
Total Cash Receipts Over Cash Disbursements	87,334	890,032	977,366
Cash Balances, July 1	<u>288,272</u>		<u>288,272</u>
Cash Balances, June 30	<u>\$375,606</u>	<u>\$890,032</u>	<u>\$1,265,638</u>

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 CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2008**

	Governmental Fund Type
	General
Cash Receipts:	
Dues	\$595,675
Conference Registration	30,635
Interest on Investments	17,450
All-Ohio Academic Team	31,500
Miscellaneous	831
Total Cash Receipts	676,091
 Cash Disbursements:	
Management Salaries	110,675
Support Staff	48,309
Professional Fees	226,511
Retirement Contributions	23,345
Medicare Tax Contributions	2,289
Insurance	35,994
Supplies	2,320
Conferences & Committees	26,321
Travel	1,276
Meals & Catering	64,866
Subscriptions & Publications	473
Organizational Dues & Fees	1,735
Printing Supplies	451
Recruitment & Public Announcements	55
Telephone	6,553
Freight and Postage	395
Equipment Maint. Contracts, Maint. & Repair	6,296
Rentals	39,162
Purchased Services	8,363
Personal Development	148
Equipment	1,048
Workers Compensation	1,590
Miscellaneous	6,066
Total Cash Disbursements	614,241
Total Cash Receipts Over Cash Disbursements	61,850
Cash Balance, July 1	226,422
Cash Balance, June 30	\$288,272

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, 2009 AND JUNE 30, 2008**

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:

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

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.

**OHIO ASSOCIATION OF COMMUNITY COLLEGES
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 AND JUNE 30, 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 fund into the following type:

1. General Fund

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

2. Special Revenue Fund

Ohio Board of Regents Grant – This grant from the Ohio Board of Regents provides funds for program development and support in support of the Strategic Plan for Higher Education 2008 – 2017.

Ohio College Access Network Grant – This grant from the Ohio College Access Network (OCAN) provides funds for the creation and implementation of the OCC Center for Development.

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 2009 and 2008 budgetary activity appears in Note 3.

**OHIO ASSOCIATION OF COMMUNITY COLLEGES
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 AND JUNE 30, 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The financial statements do not include a liability for unpaid leave.

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:

	2009	2008
Star Ohio	\$1,265,538	\$288,172

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form. The Association maintains \$100 petty cash which is not included in the above stated amounts.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending June 30, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 694,695	\$ 678,598	(\$16,097)
Special Revenue	1,218,000	1,218,000	
	<u>\$1,912,695</u>	<u>\$1,896,598</u>	<u>(\$16,097)</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 694,695	\$591,264	\$103,431
Special Revenue	1,218,000	327,968	890,032
	<u>\$1,912,695</u>	<u>\$919,232</u>	<u>\$993,463</u>

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$725,000	\$676,091	(\$48,909)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$725,000	\$614,241	\$110,759

**OHIO ASSOCIATION OF COMMUNITY COLLEGES
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 AND JUNE 30, 2008
(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 SERS's Retirement Board within rates allowed by the State. For 2009 and 2008, members of SERS contributed 10% 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, 2009.

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, dental, vision, and life insurance coverage to eligible employees through private carriers.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Ohio Association of Community Colleges
Clark County
175 South Third Street, Suite 560
Columbus, Ohio 43215

To the Board of Trustees:

We have audited the financial statements of the Ohio Association of Community Colleges, Clark County, (the Association) as of and for the years ended June 30, 2009 and 2008, and have issued our report thereon dated January 8, 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Association's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Association's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Association's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Association's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Association's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the Association's management in a separate letter dated January 8, 2010.

Compliance and Other Matters

As part of reasonably assuring whether the Association's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the management and the Board of Trustees. We intend it for no one other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

January 8, 2010



Mary Taylor, CPA
Auditor of State

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 11, 2010