



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  
41 South High Street, Suite 3625  
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*

**Mary Taylor, CPA**  
Auditor of State

November 28, 2007

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Ohio Association of Community Colleges  
Clark County  
41 South High Street, Suite 3625  
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, 2007 and 2006. 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.

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, 2007 and 2006 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, 2007 and 2006, or its changes in financial position for the years then ended.

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balance of the Ohio Association of Community Colleges, Clark County, as of June 30, 2007 and 2006, and its 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 November 28, 2007, 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

November 28, 2007



**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, 2007**

	<b>Governmental Fund Type</b>
	<b>General</b>
<b>Cash Receipts:</b>	
Dues	\$453,000
Conference Registration	29,657
Interest on Investments	19,466
All-Ohio Academic Team	33,350
Total Cash Receipts	535,473
 <b>Cash Disbursements:</b>	
Management Salaries	113,986
Support Staff	63,972
Professional Fees	73,435
Honorarias	2,000
Retirement Contributions	25,494
Medicare Tax Contributions	2,528
Insurance	24,313
Supplies	3,810
Conferences & Committees	34,525
Travel	2,242
Meals & Catering	35,507
Organizational Dues & Fees	740
Printing Supplies	4,010
Telephone	5,933
Freight & Postage	1,694
Equipment Maint. Contracts, Maint. & Repair	6,739
Rentals	38,115
Purchased Services	10,400
Equipment	4,647
Workers Compensation	866
Miscellaneous	36,828
Total Cash Disbursements	491,784
 Total Cash Receipts Over/(Under) Cash Disbursements	 43,689
 Cash Balance, July 1	 182,733
 Cash Balance, June 30	 \$226,422

*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, 2006**

	<b>Governmental Fund Type</b>
	<b>General</b>
<b>Cash Receipts:</b>	
Dues	\$385,000
Conference Registration	34,225
Interest on Investments	11,993
All-Ohio Academic Team	21,400
Total Cash Receipts	452,618
<b>Cash Disbursements:</b>	
Management Salaries	116,388
Support Staff	62,321
Professional Fees	29,483
Honorarias	6,000
Retirement Contributions	25,612
Medicare Tax Contributions	2,726
Insurance	19,885
Supplies	3,136
Conferences & Committees	20,108
Personal Development	613
Travel	2,815
Meals & Catering	29,496
Subscriptions	403
Organizational Dues & Fees	590
Printing Supplies	1,844
Telephone	3,623
Freight & Postage	3,812
Equipment Maint. Contracts, Maint. & Repair	6,330
Rentals	36,902
Purchased Services	12,095
Equipment	571
Workers Compensation	2,564
Miscellaneous	31,314
Total Cash Disbursements	418,631
Total Cash Receipts Over/(Under) Cash Disbursements	33,987
Cash Balance, July 1	148,746
Cash Balance, June 30	\$182,733

*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, 2007 AND JUNE 30, 2006**

**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, 2007 AND JUNE 30, 2006  
(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.

**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 2007 and 2006 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. The financial statements do not include a liability for unpaid leave.

**OHIO ASSOCIATION OF COMMUNITY COLLEGES  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2007 AND JUNE 30, 2006  
(Continued)**

**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:

	<u>2007</u>	<u>2006</u>
Star Ohio	\$226,322	\$182,633

**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, 2007 and 2006 follows:

**2007 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$513,000	\$535,473	\$22,473

**2007 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$513,000	\$491,784	\$21,216

**2006 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$474,500	\$452,618	(\$21,882)

**2006 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$464,500	\$418,631	\$45,869

**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 2007 and 2006, 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, 2007.

**OHIO ASSOCIATION OF COMMUNITY COLLEGES  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2007 AND JUNE 30, 2006  
(Continued)**

**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  
41 South High Street, Suite 3625  
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 year ended June 30, 2007 and 2006, and have issued our report thereon dated November 28, 2007, wherein we noted the Association followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 have reported to the Association's management in a separate letter dated November 28, 2007.

**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 did note a certain noncompliance or other matter that we reported to the Association's management in a separate letter dated November 28, 2007.

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

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

**Mary Taylor, CPA**  
Auditor of State

November 28, 2007





**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  
JANUARY 24, 2008**