

**Central Ohio Technical
College**

Audited Financial Statements

June 30, 2007



Mary Taylor, CPA
Auditor of State

Board of Trustees
Central Ohio Technical College
1179 University Drive
Newark, Ohio 43055

We have reviewed the *Independent Auditor's Report* of the Central Ohio Technical College, Licking County, prepared by Rea & Associates, Inc., for the audit period July 1, 2006 through June 30, 2007. 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 Central Ohio Technical College is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 2, 2008

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**CENTRAL OHIO TECHNICAL COLLEGE
NEWARK, OHIO**

TABLE OF CONTENTS

<i>TITLE</i>	<i>PAGE</i>
Independent Auditor’s Report	1-2
Management Discussion and Analysis	3-7
Basic Financial Statements:	
Statements of Net Assets	8
Statements of Revenues, Expenses and Changes in Net Assets	9
Statements of Cash Flows	10
Notes to the Financial Statements	11-29
Internal Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	30-31
Internal Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	32-33
Schedule of Expenditures of Federal Awards	34
Notes to the Schedule of Expenditures of Federal Awards	35
Schedule of Findings and Questioned Costs	36
Appointed Officials	37
Administrative Personnel	38

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December 7, 2007

Board of Trustees
Central Ohio Technical College
Licking County
1179 University Drive
Newark, OH 43055

Independent Auditor's Report

We have audited the accompanying financial statements of Central Ohio Technical College (the College) as of and for the years ended June 30, 2007 and 2006, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express opinions 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College as of June 30, 2007 and 2006, and the respective changes in financial position and cash flows, where applicable, thereof 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 our report dated December 7, 2007, on our consideration of the College'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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Board of Trustees
Central Ohio Technical College
Independent Auditor's Report
November 21, 2007
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Rea & Associates, Inc.

New Philadelphia, OH 44663

CENTRAL OHIO TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2007 and 2006

The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of Central Ohio Technical College (COTC) for the year ended June 30, 2007, with comparative information for fiscal year 2006 and 2005. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

About Central Ohio Technical College

Central Ohio Technical College offers an aggressive approach to technical education providing state-of-the-art training in the areas of allied health and public service, nursing, business and engineering. Chartered in 1971 to meet the region's growing need for technical training and education, COTC is the primary link between the region's businesses and the training and retraining of the workforce, a partnership that directly impacts the economic growth of the area.

Central Ohio Technical College is governed by a board of nine trustees who are responsible for the oversight of academic programs, budgets and general administration. The Governor of Ohio appoints three members and the Newark School Board appoints six members.

Using the Annual Report

This annual report consists of a series of financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* (GASB 35).

In addition to this MD&A section, the financial report includes a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, a Statement of Cash Flows and Notes to the Financial Statements.

The **Statement of Net Assets** reflects the total assets, liabilities and net assets of COTC as of June 30, 2007, with comparative information as of June 30, 2006 and 2005. Liabilities due within one year, and assets available to pay those liabilities, are classified as current. Other assets and liabilities are classified as non-current. Investment assets are carried at market value. Capital assets, which include the buildings, improvements, and equipment, are shown net of accumulated depreciation. Net assets are grouped in the following categories:

- Invested in capital assets, net of related debt
- Restricted – Nonexpendable (endowments funds)
- Restricted – Expendable (quasi-endowment funds)
- Unrestricted

The **Statement of Revenues, Expenses and Changes in Net Assets** details how net assets have increased during fiscal year 2007, with comparative information for fiscal year 2006 and 2005. GASB 35 requires state appropriations to be classified as non-operating revenues; so, generally, state-supported Colleges and universities will reflect an operating loss until non-operating items are included.

CENTRAL OHIO TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2007 and 2006

The **Statement of Cash Flows** details how cash has increased (or decreased) during the fiscal year 2007. It breaks out the sources and uses of COTC cash into the following categories:

- Operating activities
- Noncapital financing activities
- Capital financing activities
- Investing activities

The **Notes to the Financial Statements** provide additional details on the numbers in the financial statements. In addition to the Summary of Significant Accounting Policies, the report includes notes on capital assets, long-term debt, and operating expenses by natural classification.

Financial Highlights

Statement of Net Assets

The College's financial statements for fiscal year 2007 report net assets of \$29 million at June 30, 2007. This represents an increase of approximately \$4.2 million from the previous fiscal year. Below is a condensed version of the Statement of Net Assets followed by a discussion of the changes:

	June 30, 2007	June 30, 2006	June 30, 2005
<u>ASSETS</u>			
Current Assets	\$ 12,155,184	\$ 10,329,197	\$ 7,167,830
Capital Assets, net	20,597,847	18,309,552	16,578,963
Other non-current	4,786,381	2,340,447	1,833,566
Total Assets	<u>37,539,412</u>	<u>30,979,196</u>	<u>25,580,359</u>
<u>LIABILITIES</u>			
Current Liabilities	4,102,511	3,079,279	3,238,787
Non-current Liabilities	4,432,541	3,083,808	1,058,073
Total Liabilities	<u>8,535,052</u>	<u>6,163,087</u>	<u>4,296,860</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, net of related debt	17,703,986	16,197,333	15,994,194
Restricted			
Nonexpendable	1,082,728	967,357	960,309
Expendable	6,182,037	4,022,045	924,036
Unrestricted	<u>4,035,609</u>	<u>3,629,374</u>	<u>3,404,960</u>
Total Net Assets	<u>\$ 29,004,360</u>	<u>\$ 24,816,109</u>	<u>\$ 21,283,499</u>

CENTRAL OHIO TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2007 and 2006

Assets As of June 30, 2007, the College's total assets are \$37.5 million, an increase of \$6.5 million over fiscal year 2006. Several major items accounting for this increase include the donation of the former movie theatre building in Mount Vernon for use by the college as the future home of the Knox Campus (Ariel Hall), and increases to construction in progress relating to the new administrative system for the college and renovation costs of Montgomery Hall for the Coshocton Campus. These increases were in addition to the normal recording of asset purchases and depreciation. Also contributing to the overall increase in total assets was an increase of pledges primarily due to activity of the Knox Capital Campaign launched in the 2007 fiscal year as well as the proceeds of a note sold to finance the renovations of Montgomery Hall.

Liabilities At June 30, 2007 the College's liabilities totaled \$8.5 million, a \$2.3 million increase over last fiscal year. Notes Payable increased \$1.76 million due to the sale of a bond for the renovation of Montgomery Hall as well as increasing the liability for the purchase and implementation of the new administrative system. In addition, the college paid off a note for the child development center as well as making scheduled payments to reduce the liability on the original purchase of Montgomery Hall.

Net Assets Net assets at June 30, 2007 totaled approximately \$29 million. Net assets invested in capital assets totaled \$17.7 million, which represents 61% of total net assets. Total net assets increase \$4.2 million during the year ended June 30, 2007 due to the items mentioned above. Unrestricted net assets totaled \$4 million with net assets of \$5.1 million restricted for capital improvements.

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CENTRAL OHIO TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2007 and 2006

Statement of Revenues, Expenses and Changes in Net Assets

Total operating revenues for fiscal year 2007 are \$14.9 million, an increase of \$951 thousand over last fiscal year. Below is the Statement of Revenues, Expenses and Changes in Net Assets followed by a discussion of the major variances:

	<u>Year Ended June 30, 2007</u>	<u>Year Ended June 30, 2006</u>	<u>Year Ended June 30, 2005</u>
OPERATING REVENUES			
Tuition & Fees, net	\$ 7,711,734	\$ 7,381,556	\$ 6,423,917
Federal grants and contracts	4,209,725	4,083,546	3,702,778
State & Private grants and contracts	2,005,787	1,695,434	1,819,334
Sales & srv of ed depts	504,643	528,488	451,875
Auxiliary enterprises	40,034	40,435	94,365
Other Operating revenues	<u>507,512</u>	<u>298,612</u>	<u>309,733</u>
Total Operating Revenues	14,979,435	14,028,071	12,802,002
OPERATING EXPENSES			
Education & General	21,349,060	19,791,373	17,144,852
Depreciation expense	979,530	944,702	900,087
Auxiliary Enterprises	<u>4,791</u>	<u>4,852</u>	<u>148,847</u>
Total Operating Expenses	<u>22,333,381</u>	<u>20,740,927</u>	<u>18,193,786</u>
Operating loss	(7,353,946)	(6,712,856)	(5,391,784)
NONOPERATING REVENUES (EXPENSES)			
State Appropriations	7,560,570	6,751,027	6,076,585
Nongovernmental grants and contracts	0	0	436,899
Investment income	287,414	151,289	79,658
Other revenues (expenses)	<u>(143,133)</u>	<u>(123,055)</u>	<u>(318,965)</u>
Net nonoperating revenues	7,704,851	6,779,261	6,274,177
Capital appropriation and gifts and grants	3,837,346	3,466,205	0
Increase in net assets	4,188,251	3,532,610	882,393
Net assets-beginning	<u>24,816,109</u>	<u>21,283,499</u>	<u>20,401,106</u>
Net assets-end of year	<u>\$ 29,004,360</u>	<u>\$ 24,816,109</u>	<u>\$ 21,283,499</u>

Net **tuition and fees** increased \$330 thousand in fiscal year 2007. This increase is primarily a result of a 4.2% increase in the tuition and fees rate in Autumn 2006. Net tuition and fees for fiscal year 2006 increased \$957 thousand over the previous year again due to increases in tuition as well as increases in enrollment.

CENTRAL OHIO TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2007 and 2006

Net **grants and contracts** (federal, state and private) increased \$436 thousand, due mainly to increases in student aid programs.

Operating expenses for the campus increased for the year by approximately 7.7%. In addition to normal inflationary increases for the college, additional targeted investments were made by the college in compensation increases, support costs for the new administrative system, preparation for the re-accreditation self study, and the establishment of the Knox and Pataskala campuses.

Items to note in the **Non-Operating Revenue (Expenses)** section include Capital gifts and grants which are primarily composed of revenues from the Coshocton and Knox Capital Campaigns. These funds will be used for the renovation of Montgomery Hall in Coshocton and Ariel Hall in Knox County. State Appropriations increased over \$800,000 for FY07 due to increasing enrollment on the campus.

Statement of Cash Flows

COTC's Statement of Cash Flows reflects stable cash flows for the fiscal years presented.

Cash Flow Summary	<u>Year Ended June 30, 2007</u>	<u>Year Ended June 30, 2006</u>	<u>Year Ended June 30, 2005</u>
Net cash used by operating activities	\$ (6,671,700)	\$ (5,901,167)	\$ (3,960,582)
Net cash from noncapital financing activities	7,560,570	6,751,027	6,513,484
Net cash from capital financing activities	1,165,362	29,017	(1,634,349)
Net cash from capital investing activities	<u>76,617</u>	<u>88,475</u>	<u>54,909</u>
Net increase in cash	<u><u>\$ 2,130,849</u></u>	<u><u>\$ 967,352</u></u>	<u><u>\$ 973,462</u></u>

The overall change in COTC's cash balances in 2007 is due to the normal operations of the College as well as the extensive effort placed on capital campaigns for the extended campuses of the college.

Summary

The financial activity recorded in the financial statements for the year ended June 30, 2007 point to Central Ohio Technical College's preparation and vision for the future. Significant effort has been placed on the establishment of full-service extended campuses. The extended campuses will be foundational to increasing access and meeting the mission for the three county service district including Licking, Knox and Coshocton Counties. The significant investments made by the college in a new administrative system will adequately equip and support college faculty, staff and students well into the future. The investment and retention of top quality personnel remain a high priority for the college as well. All of these investments have been made with a conscious effort to protect the financial viability of the campus. Record setting enrollment continues to be served as the college grows from a small technical college to the goal of being the number one technical college in the State of Ohio.

CENTRAL OHIO TECHNICAL COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the years ended June 30, 2007 and 2006

	2007	2006
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 5,200,765	\$ 5,297,077
Accounts receivable		
Students, net of allowance of \$375,047 and \$365,491 in 2007 and 2006, respectively	796,071	552,021
Ohio State University	362,222	116,640
Intergovernmental grants	1,311,885	1,174,700
Pledges	3,701,116	2,073,447
Other	345,283	553,746
Other assets	437,842	561,566
Total current assets	12,155,184	10,329,197
Noncurrent Assets		
Restricted cash and cash equivalents	2,626,990	399,829
Endowment investments	2,159,391	1,940,618
Capital assets, net	20,597,847	18,309,552
Total noncurrent assets	25,384,228	20,649,999
Total assets	37,539,412	30,979,196
 <u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	543,754	343,421
Accrued liabilities	1,531,503	906,017
Deferred revenue	1,635,334	1,527,127
Current portion of long-term debt	391,920	302,714
Total current liabilities	4,102,511	3,079,279
Noncurrent liabilities		
Accrued liabilities	232,957	682,423
Deferred revenue	715,742	591,880
Long-term debt	3,483,842	1,809,505
Total noncurrent liabilities	4,432,541	3,083,808
Total liabilities	8,535,052	6,163,087
 <u>NET ASSETS</u>		
Invested in capital assets, net of related debt	17,703,986	16,197,333
Restricted		
Nonexpendable		
Scholarships, fellowships, and research	1,082,728	967,357
Expendable		
Scholarships, fellowships, and research	1,093,184	990,157
Capital uses	5,088,853	3,031,888
Unrestricted	4,035,609	3,629,374
Total net assets	\$ 29,004,360	\$ 24,816,109

The accompanying notes are an integral part of these financial statements.

CENTRAL OHIO TECHNICAL COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the years ended June 30, 2007 and 2006

	2007	2006
REVENUES		
Operating Revenues		
Tuition & Fees (net of scholarship allowances of \$2,370,878 and \$2,074,859 in 2007 and 2006)	\$ 7,711,734	\$ 7,381,556
Federal grants and contracts	4,209,725	4,083,546
Private, state, and local gifts, contracts and grants	2,005,787	1,695,434
Sales and services of educational departments	504,643	528,488
Auxiliary enterprises	40,034	40,435
Other Operating revenues	507,512	298,612
Total Operating Revenues	14,979,435	14,028,071
 EXPENSES		
Operating Expenses		
Education and general		
Instructional	8,040,744	7,125,098
Public service	365,299	348,332
Academic support	3,322,109	2,461,139
Student services	2,211,387	2,131,907
Institutional support	2,414,264	2,433,585
Operation and maintenance of plant	1,986,189	2,285,941
Depreciation expense	979,530	944,702
Student scholarship and financial aid	3,009,068	3,005,371
Auxiliary enterprises	4,791	4,852
Total operating expenses	22,333,381	20,740,927
Operating loss	(7,353,946)	(6,712,856)
 NONOPERATING REVENUES (EXPENSES)		
State Appropriations	7,560,570	6,751,027
Investment income	287,414	151,289
Interest on indebtedness	(17,959)	(10,239)
Other (expenses)	(125,174)	(112,816)
Net nonoperating revenues	7,704,851	6,779,261
Income before other revenues, expenses, gains, or losses	350,905	66,405
Capital appropriations	50,684	618,612
Capital grants and gifts	3,775,069	2,847,593
Additions to Permanent Endowments	11,593	0
Total other revenues	3,837,346	3,466,205
Increase in net assets	4,188,251	3,532,610
 NET ASSETS		
Net assets at beginning of the year	24,816,109	21,283,499
Net assets at end of year	\$ 29,004,360	\$ 24,816,109

The accompanying notes are an integral part of these financial statements.

CENTRAL OHIO TECHNICAL COLLEGE
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2007 and 2006

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition & Fees	\$ 7,520,644	\$ 7,442,231
Grants & Contracts	6,578,520	5,088,005
Payments to Suppliers	(4,032,400)	(3,692,185)
Payments for Utilities	(399,500)	(380,292)
Payments to employees	(10,782,461)	(9,467,374)
Payments for benefits	(3,058,367)	(2,603,530)
Payments for scholarships	(3,009,068)	(3,005,371)
Auxiliary enterprise receipts	40,034	40,435
Sales & services	470,898	676,914
Net cash (used) by operating activities	(6,671,700)	(5,901,167)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	7,560,570	6,751,027
Net cash provided by noncapital financing activities	7,560,570	6,751,027
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of capital assets	(2,077,340)	(2,677,011)
Proceeds from debt	2,111,456	1,496,947
Principal paid on capital assets	(347,913)	(109,310)
Interest on capital related debt	(17,959)	(10,239)
Capital appropriations	50,684	618,612
Capital grants and gifts	1,446,434	710,018
Net cash provided by capital financing activities	1,165,362	29,017
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	76,617	88,475
Net cash provided from investing activities	76,617	88,475
NET INCREASE IN CASH	2,130,849	967,352
CASH AND CASH EQUIVALENTS, beginning of year	5,696,906	4,729,554
CASH AND CASH EQUIVALENTS, end of year	\$ 7,827,755	\$ 5,696,906
RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED FROM OPERATING ACTIVITIES		
Operating loss	\$ (7,353,946)	\$ (6,712,856)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Depreciation expense	979,530	944,702
Changes in assets and liabilities		
Receivables, net	(731,739)	190,911
Other assets	(44,071)	(70,822)
Accounts Payable	200,332	44,736
Accrued Liabilities	176,019	297,634
Deferred Revenue	102,175	(595,472)
Net cash provided (used) by operating activities	\$ (6,671,700)	\$ (5,901,167)
NON-CASH TRANSACTIONS		
Contribution of Knox Campus building and land	\$ 850,000	

The accompanying notes are an integral part of these financial statements.

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 1: NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY

Central Ohio Technical College (the College), was chartered by the Ohio Board of Regents in 1971, subject to the directives and constraints set forth by the Ohio General Assembly and the Ohio Board of Regents. The College was created in direct response to a demonstrated need for quality college-level technical education in Licking County. The service area was expanded to include Coshocton and Knox counties in the spring of 1980. In 1986, COTC established offices in both counties to offer off-campus courses.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). GASB Statement No. 35, *Basic Financial Statements — and Management’s Discussion and Analysis — for Public Colleges and Universities* and subsequent pronouncements establish standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net assets categories:

Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted:

Nonexpendable — Net assets subject to externally imposed stipulations that they be maintained permanently by the College. Such assets include the College’s permanent endowment funds.

Expendable — Net assets whose use by the College is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time.

Unrestricted: Net assets whose use by the College is not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrual Basis: The financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. The College reports as a Business Type Activity (BTA) as defined by GASB 35. BTAs are those activities that are financed in whole or part by fees charged to external parties for goods and services.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary funds and Other Governmental Entities That Uses Proprietary Fund Accounting*, the College is required to follow all applicable GASB pronouncements. In addition, the College should apply all applicable Financial Accounting Standards Board (the "FASB") Statements and Interpretations, Accounting Principles Board (the "APB") Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The College has elected to not apply FASB statements and interpretations issued after November 30, 1989.

Cash and Cash Equivalents: This classification appears on the Statement of Net Assets and the Statement of Cash Flows and includes petty cash, cash on deposit with private bank accounts and savings accounts.

For purposes of the statement of cash flows and for presentation of the statement of net assets, investments with original maturities of three months or less at the time they are purchased by the College are considered to be cash and cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

Investments: Investments are stated at fair value.

Accounts Receivable: Accounts receivable represents the balance of unpaid student tuition charges, federal and state grants, and other receivables owed to the College. The allowance for doubtful accounts related to student receivables is based on historical collection rates and management's analysis. Management reviews the accounts receivable annually and adjusts the allowance to correspond with the collection rates.

Pledges Receivable: The College has two capital campaigns that make up the pledges receivables. The Coshocton Capital Campaign to renovate the Montgomery Hall building in Roscoe Village, and the Knox Capital Campaign started in January, 2007 for renovation of Ariel Hall in Mount Vernon.

Pledge receivable as of June 30, 2007 and 2006 are summarized as follows:

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

	<u>June 30, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2007</u>
Coshocton Capital Campaign				
Pledge Receivable	\$ 2,137,574	\$ 715,950	\$ 1,186,241	\$ 1,667,283
Less: Allowance	64,127		14,108	50,019
Net Receivable - Cosh	<u>\$ 2,073,447</u>	<u>\$ 715,950</u>	<u>\$ 1,200,349</u>	<u>\$ 1,617,264</u>
Knox Capital Campaign				
Pledge Receivable	\$ 0	\$ 2,150,500	\$ 2,200	\$ 2,148,300
Less: Allowance	0	64,449	0	64,449
Net Receivable- Knox	<u>\$ 0</u>	<u>\$ 2,086,051</u>	<u>\$ 2,200</u>	<u>\$ 2,083,851</u>
	<u>June 30, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2006</u>
Coshocton Capital Campaign				
Pledge Receivable	\$ 0	\$ 2,537,403	\$ 399,829	\$ 2,137,574
Less: Allowance	0	64,127	0	64,127
Net Receivable - Cosh	<u>\$ 0</u>	<u>\$ 2,473,276</u>	<u>\$ 399,829</u>	<u>\$ 2,073,447</u>

Capital Assets: Capital assets are stated at cost at date of acquisition or, in the case of gifts, at fair market value at date of gift. Equipment with a unit cost of \$2,500 or more and having an estimated useful life of greater than one year, is capitalized. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation of capital assets is computed on a straight-line basis over the estimated useful lives of the respective assets.

Cost Sharing between related Parties: The College shares campus facilities and staff, including senior administration with the Ohio State University – Newark Campus. Jointly incurred costs are allocated between institutions based on student enrollment and utilization factors. Additionally, certain services are purchased by each institution from each other.

Deferred Revenue: Deferred revenue consists primarily of summer school fees. The College has deferred amounts received for tuition and fees prior to June 30, 2007 and 2006 but relate to the subsequent accounting period.

Noncurrent Liabilities: Noncurrent liabilities include compensated absences that will not be paid within the next fiscal year.

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences: The College had adopted GASB No.16.

Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of these conditions are met:

- a. The employee's right to receive compensation is attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

For vacation leave the College posts a liability for 100% of accumulated vacation time up to the maximum allowed accrued benefit.

A liability for sick leave and other compensated absences with similar characteristics (hereinafter referred to as "sick leave") should be accrued using one of the following termination approaches:

- a. The sick leave liability generally would be an estimate based on governmental entity's past experience of making termination payments for sick leave, adjusted for the effects of changes in termination payment policy and other current factors. This approach is known as the termination payment method.
- b. The sick leave liability would be an accrual for those employees expected to become eligible in the near future based on assumptions concerning the probability that individual employees or classes or groups of employees will become eligible to receive termination benefits. This accumulation should be reduced to the maximum amount allowed as a termination benefit. This approach is known as the vesting method.

For sick leave liability, the College uses the vesting method. The College posts a liability for any employee with tens years of service in the retirement system. These accumulations are reduced to the maximum amount allowed as a termination payment.

Scholarship Allowances: Student tuition and fees revenue and certain other revenues from College charges are reported net of scholarship allowances in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. The scholarship allowance is the difference between the actual charge for goods and services provided by the College and the amount that is paid by students or by third parties on the students' behalf. Student financial assistance grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or non-operating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the College has recorded a scholarship allowance discount.

Budgetary Process: Annually, the Business 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.

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Restricted Asset Spending Policy: The College's policy is that restrictions on assets cannot be fulfilled by the expenditure of unrestricted funds for similar purposes. The determination on whether restricted or unrestricted funds are expended for a particular purpose is made on a case-by-case basis. Restricted funds remain restricted until spent for the intended purpose.

Operating Activities: The College defines operating activities, as reported on the statement of revenues, expenses, and changes in net assets, as those that generally result from exchange transactions, such as payments received for providing goods and services and payments made for services and goods received. Nearly all of the College's expenses are from exchange transactions. Certain significant revenues relied upon for operations, such as state appropriations, grants, contracts and investment income, are recorded as non-operating revenues, in accordance with GASB Statement No. 35.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

State statutes classify monies held by the College into three categories.

Active deposits are public deposits necessary to meet current demand on the treasury. Such monies must be maintained either as cash in the College treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the Board of Trustees has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation or depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts including passbook accounts.

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Protection of the College's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio);
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the College, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

CENTRAL OHIO TECHNICAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS
 For the years ended June 30, 2007 and 2006

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the College’s deposits may not be returned to it. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank and pledged as collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the College.

At fiscal year-end, cash on hand was \$4,707 and the carrying amount of the College’s deposits was \$4,248,096. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures,” as of June 30, 2007, \$4,525,268 of the College’s bank balance of \$4,831,539 was exposed to custodial credit risk as discussed above, while \$306,271 was covered by Federal Deposit Insurance Corporation.

Investments: All investments are stated at fair value. Investments acquired by gift are stated at fair value at the date of gift if a fair value is available, and otherwise at an appraised or nominal value. Investments, other than STAR Ohio, are shown in the statement of net assets as non-current. Investments, other than STAR Ohio, are contributed by donors and are maintained in an Endowment Investment Account.

As of June 30, 2007, the College had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	Investment Maturities (in years)	
		< 1	1 - 5
Fixed Income	\$ 687,552	\$ 248,324	\$ 439,228
Cash Equivalents	56,993	56,993	0
STAR Ohio	3,574,952	3,574,952	0
Equity funds	1,414,846	1,414,846	0
	\$ 5,734,343	\$ 5,295,115	\$ 439,228

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College’s investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College’s investment policy limits investments in fixed income securities to government and agency issues and corporate issues in the top four quality rating of recognized credit services.

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

As of June 30, 2007, the College had the following investments and quality ratings:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>
Cash Equivalents		\$ 56,993
STAR Ohio	AAA	3,574,952
Fixed Income		
US Treasury Bonds and Notes	AAA	98,250
US Gov't Agency/Exempt State	AAA	99,156
Corporate Bonds and Notes	AA+	48,734
	AA	95,104
	AA-	99,929
	A+	97,772
	A	99,982
	BBB+	48,625
Equity		
Common Stock		920,041
Mutual Funds		494,805
		<u>\$ 5,734,343</u>

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College's investment policy limits investment in any single issuer other than U.S. Government securities to 10% of the total investment portfolio. The following table includes the percentage to total of each investment type held by the College at June 30, 2007.

	<u>Fair Value</u>	<u>Percent of Total</u>
Cash Equivalents	\$ 56,993	0.99%
STAR Ohio	3,574,952	62.34%
US Treasury Bonds and Notes	98,250	1.71%
US Gov't Agency/Exempt State	99,156	1.73%
Corporate Bonds and Notes	490,146	8.55%
Common Stock	920,041	16.04%
Mutual Funds	494,805	8.63%
	<u>\$ 5,734,343</u>	<u>100.00%</u>

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 4 - CAPITAL ASSETS, NET

Capital assets as of June 30, 2007 and 2006 are summarized below. A restatement has been made for 2006 amounts due to a misclassification of an asset as a leasehold improvement that should have been included in buildings.

	July 1, 2006			June 30, 2007
	<u>Balance- Restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
<u>Cost:</u>				
Land	\$ 137,601	\$ 157,217	\$ 0	\$ 294,818
Buildings	20,782,611	725,778	0	21,508,389
Leasehold Improvements	89,096	54,992	0	144,088
Equipment, furniture, and library books	6,610,683	422,095	18,396	7,014,382
Construction in progress	<u>970,898</u>	<u>1,909,054</u>	<u>0</u>	<u>2,879,952</u>
	28,590,889	3,269,136	18,396	31,841,629
<u>Accumulated Depreciation:</u>				
Buildings	4,871,710	537,710	0	5,409,420
Leasehold Improvements	45,650	33,600	0	79,250
Equipment, furniture, and library books	5,363,977	408,220	17,085	5,755,112
	<u>10,281,337</u>	<u>979,530</u>	<u>17,085</u>	<u>11,243,782</u>
Capital Assets, Net	<u>\$ 18,309,552</u>	<u>\$ 2,289,606</u>	<u>\$ 1,311</u>	<u>\$ 20,597,847</u>

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 4 - CAPITAL ASSETS, NET (Continued)

	July 1, 2005 Balance	Additions Restated	Reductions	June 30, 2006 Balance Restated
<u>Cost:</u>				
Land	\$ 0	\$ 137,601	\$ 0	\$ 137,601
Buildings	19,695,147	1,087,464	0	20,782,611
Leasehold improvements	61,170	27,926	0	89,096
Equipment, furniture, and library books	6,161,861	453,122	4,300	6,610,683
Construction in progress	0	970,898	0	970,898
	<u>25,918,178</u>	<u>2,677,011</u>	<u>4,300</u>	<u>28,590,889</u>
<u>Accumulated Depreciation:</u>				
Buildings	4,345,507	526,203	0	4,871,710
Leasehold Improvements	28,801	16,849	0	45,650
Equipment, furniture, and library books	4,964,907	401,650	2,580	5,363,977
	<u>9,339,215</u>	<u>944,702</u>	<u>2,580</u>	<u>10,281,337</u>
Capital Assets, Net	<u>\$ 16,578,963</u>	<u>\$ 1,732,309</u>	<u>\$ 1,720</u>	<u>\$ 18,309,552</u>

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at of June 30, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
Payable to vendors and contractors	<u>\$ 543,754</u>	<u>\$ 343,421</u>
Accrued expenses, primarily payroll and vacation leave	\$ 1,701,138	\$ 1,540,526
Employee withholdings and deposits payable to third parties	<u>63,322</u>	<u>47,914</u>
	1,764,460	1,588,440
Current	<u>1,531,503</u>	<u>906,017</u>
Noncurrent	<u>\$ 232,957</u>	<u>\$ 682,423</u>

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 6 – LONG-TERM DEBT

	2007				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Child Development Center Mortgage Note	\$ 40,212	\$ 0	\$ (40,212)	\$ 0	\$ 0
Roscoe Village Foundation Loan 0%	900,000	0	(200,000)	700,000	200,000
CalFirst Loan	283,463	0	(62,501)	220,962	65,007
Revenue Bonds for Information System	888,544	611,456	(45,200)	1,454,800	126,913
Montgomery Hall Bond	0	1,500,000	0	1,500,000	0
Total Long Term Debt	\$ 2,112,219	\$ 2,111,456	\$ (347,913)	\$ 3,875,762	\$ 391,920

	2006				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Child Development Center Mortgage Note	\$ 90,985	\$ 0	\$ (50,773)	\$ 40,212	\$ 40,212
Roscoe Village Foundation Loan 0%	0	900,000	0	900,000	200,000
CalFirst Loan	0	332,000	(48,537)	283,463	62,502
Revenue Bonds for Information System	0	888,544	0	888,544	0
Total Long Term Debt	\$ 90,985	\$ 2,120,544	\$ (99,310)	\$ 2,112,219	\$ 302,714

The mortgage loan for the Child Development Center was for the purchase of the childcare facility and was entered into April 1, 1992. The original amount was \$515,000 and was payable monthly with interest at prime rate. The Child Development Center mortgage was paid in full during the fiscal year 2007.

The Roscoe Village Foundation loan was for the purchase of a building to be used as classrooms in Roscoe Village, Coshocton, Ohio and was entered into on October 18, 2005. This loan is at zero interest and matures October 18, 2009. Annual payments are to be made beginning October 18, 2006 of \$200,000 with the final payment being \$300,000.

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 6 – LONG-TERM DEBT (Continued)

The CalFirst loan is for the purchase of equipment for improvements to keep critical systems in operation and was entered into on November 9, 2005. This loan is at 3.8725% and payable quarterly beginning January 1, 2006. The loan matures October 1, 2010.

The revenue bonds for the information system were issued March 3, 2006 at 4.59% until March 3, 2011 when an interest rate adjustment will occur. Bond payments are due annually beginning April 3, 2007. The total amount of the bond at June 30, 2007 is \$1,500,000, and it is included in the payment schedule below at the current rate of interest.

The Montgomery Hall Renovation Bond for \$1,500,000 is a single, fully-registered bond that commenced on March 1, 2007 at a fixed rate of 4.04% per annum. The bond matures in yearly installments beginning December 28, 2008 and matures on December 28, 2011.

Annual maturities of long-term debt are due as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 391,920	\$ 123,253	\$ 515,173
2009	787,401	121,904	909,305
2010	897,032	92,451	989,483
2011	551,977	67,772	619,749
2012	541,557	44,847	586,404
2013 - 2016	705,875	65,724	771,599
	<u>\$ 3,875,762</u>	<u>\$ 515,951</u>	<u>\$ 4,391,713</u>

Interest expense for the year ended June 30, 2007 and 2006 was \$17,959 and \$10,239, respectively.

CENTRAL OHIO TECHNICAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS
 For the years ended June 30, 2007 and 2006

NOTE 7 – OPERATING LEASE COMMITMENTS

The College leases certain office equipment, vehicles, and classroom space under non-cancellable operating leases. The following summarizes the approximate future minimum rental payments required under operating leases as of June 30, 2007:

2008	\$	378,598
2009		220,540
2010		165,792
2011		16,345
2012		2,772
		2,772
	\$	784,047

Rent expense was \$569,347 and \$463,676 for the years ended June 30, 2007 and 2006.

The lease expense is part of the cost share calculation with The Ohio State University-Newark Campus (Note 1).

NOTE 8 – CONTRACTUAL COMMITMENT

Contractor	Type	Original Bid	2006 Payment	2007 Payment	Balance of Commitment
Datatel	Software	\$ 929,127	\$ 701,088	\$ 203,164	\$ 24,875
Schooley Caldwell	Archetectural	334,350	70,045	177,318	86,987
Bogner Construction	General Trades	1,520,727	0	158,595	1,362,132
Hilscher-Clark	Electrical	564,000	0	0	564,000
Standard Plunbing	Mechanical	1,169,800	0	119,957	1,049,843
Philip A. Wagner	Plumbing	285,300	0	277,173	8,127
Schmid Mechanical	Fire Protection	80,000	0	0	80,000
		\$ 4,883,304	\$ 771,133	\$ 936,207	\$ 3,175,964

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 9 - PENSION PLANS

The College participates in the State Teachers' Retirement System (STRS) and the Public Employees' Retirement System (PERS) retirement plans for academic and nonacademic personnel.

Public Employees' Retirement System: The College contributes to the Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

The Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-PERS (7377).

Employees are eligible for retirement benefits at age sixty with five or more years of service credit, at age fifty-five with twenty-five years of service credit, or at any age with thirty years of service credit. The annual retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest years' salaries. The allowance is determined by multiplying final average salary by 2.5% for each year of Ohio contributing service in excess of thirty years and by 2.1% for all other years of credited service up to a maximum allowance of 100% of final average salary.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Contribution rates are established by the Public Employees Retirement Board upon recommendations of its consulting actuary, not to exceed statutory maximums. Contribution requirements for the fiscal years ended June 30, 2007 were 9.50% of covered payroll for employees and 13.77% for employers. Contribution requirements for the fiscal years ended June 30, 2006 were 9.00% of covered payroll for employees and 13.54% for employers, and June 30, 2005 were 8.5% of covered payroll for employees and 13.31% for employers. The payroll for employees covered by the System for the years ended June 30, 2007, 2006, and 2005 were approximately \$3,819,622, \$3,079,367, and \$2,973,000, respectively. Employer contributions by the College were \$521,613, \$448,680, and \$395,767 for the years ending June 30, 2007, 2006, and 2005, respectively.

Ohio Public Employees Alternative Retirement Plan: The State of Ohio requires public institutions of higher education to offer an alternative retirement plan to those participating in the Ohio Public Employees Retirement System. The alternative retirement plan shall be a defined-contribution plan, with the Ohio employer contribution rate of 13.77% towards the employee's account. As of June 30, 2007 the Ohio Public Employees Retirement System required no administrative cost. The College has implemented the alternative retirement plan. In fiscal years 2007, 2006, and 2005 the employer match was \$66,693, \$45,596 and \$15,409, respectively.

State Teachers' Retirement System: The State Teachers Retirement System of Ohio (STRS) is a cost-sharing, multiple-employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution, or other agency wholly controlled, managed, and supported in whole, or in part, by the state or any political subdivision thereof.

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 9 - PENSION PLANS (Continued)

New members have a choice of three retirement plans. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC and Combined Plans are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the Defined

Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits – Plan benefits are established by Chapter 3307 of the Ohio Revised Code. Any member may retire who has (1) five years of service credit and attained age 60, (2) 25 years of service credit and attained age 55, or (3) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest years’ salaries. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual-retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance.

If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 9 - PENSION PLANS (Continued)

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio's public college and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

A retiree of STRS or other Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or lump sum payment in addition to the original retirement allowance. Effective April 11, 2005, a reemployed retiree may alternatively receive a refund of member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by the 3% of the original base amount for Defined Benefit Plan participants.

The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A Defined Benefit of Combined Plan member with five or more years of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage of up to \$2,000 can be purchased by members in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2007 were 10% of covered payroll for members and 14% for employers. Employer contributions by the College were \$808,781, \$706,690 and \$634,259 for the years ended June 30, 2007, 2006 and 2005, respectively.

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 9 - PENSION PLANS (Continued)

The amount of the employer's covered payroll for the years ended June 30, 2007, 2006 and 2005 was approximately \$5,784,309, \$4,658,212 and \$4,530,000, respectively.

STRS issues a stand-alone financial report. That report may be obtained after January 1, 2007 by writing to STRS, 275 E. Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090, or by visiting the STRS Ohio Web site at www.strsoh.org.

State Teachers' Alternative Retirement Plan: The State of Ohio requires public institutions of higher education to offer an alternative retirement plan to those participating in the State Teachers Retirement System. The alternative retirement plan shall be a defined-contribution plan, with the Ohio employer contribution rate of 10.5% towards the employee's account and 3.5% to State Teachers Retirement System administrative cost. The College has implemented the alternative retirement plan. In fiscal years 2007, 2006, and 2005 the employer match was \$20,662, \$19,707 and \$9,705, respectively.

NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The College provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers' Retirement System and to retired non-certified employees and their dependents through the Public Employees' Retirement System.

The State Teachers Retirement System provides access to health care coverage to retirees who participated in the Defined Benefit or Combined Plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the Revised Code (R.C.), the State Teachers Retirement Board (the board) has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium.

The R.C. grants authority to STRS Ohio to provide health care coverage to eligible benefit recipients, spouses and dependents. By Ohio law, health care benefits are not guaranteed and the cost of the coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For the fiscal years ended June 30, 2006 and June 30, 2005, the board allocated employer contributions equal to 1.0% of covered payroll to the Health Care Stabilization Fund. For the College, this amount equaled \$56,000 during the 2007 fiscal year. The balance in the Health Care Stabilization Fund was \$3.5 billion at June 30, 2006 (the date of the most recent information available).

For the fiscal year ended June 30, 2006 (date of most recent information available), net health care costs paid by STRS Ohio were \$285,743,000. There were 119,184 eligible benefit recipients.

CENTRAL OHIO TECHNICAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS
 For the years ended June 30, 2007 and 2006

NOTE 10 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The Ohio Revised Code gives OPERS the discretionary authority to provide post-retirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2006, (the latest information available), state employers contributed at a rate of 13.54% of covered payroll. The portion of employer contributions for all employers allocated to health care was 4.50%.

The actuarial value of OPERS net assets available for Other Postretirement Benefits at December 31, 2005 (the date of the most recent information available) is \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$31.3 billion and \$20.2 billion, respectively. The number of OPERS active contributing participants was 358,804 at year-end December 31, 2005.

NOTE 11 - OPERATING EXPENSES BY NATURAL CLASSIFICATION

The College's operating expenses by natural classification were as follows for the year ended June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Salaries and wages	\$ 10,943,633	\$ 9,726,122
Employee benefits	3,087,165	2,628,466
Supplies and other services	3,113,639	3,055,670
Utilities and minor equipment	719,407	887,565
Advertising	480,939	493,031
Depreciation	979,530	944,702
Student scholarships and financial aid	<u>3,009,068</u>	<u>3,005,371</u>
	<u>\$ 22,333,381</u>	<u>\$ 20,740,927</u>

NOTE 12 - RISK MANAGEMENT

Central Ohio Technical College is exposed to various risks of loss related to torts, theft of, damage to, and destructions of assets, errors and omissions, injuries to employees and natural disasters. The College contracts with Utica National Insurance Company for property and general liability insurance, including boiler and machinery coverage.

CENTRAL OHIO TECHNICAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2007 and 2006

NOTE 12 - RISK MANAGEMENT (Continued)

Vehicles are covered by Utica National Insurance Company and hold a \$250 deductible. Automobile liability coverage has a \$1,000,000 limit. Settled claims have not exceeded any aforementioned commercial coverage in any of the past four years and there has been no reduction in any of the insurance coverage.

Central Ohio Technical College pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative cost.

Central Ohio Technical College provides life insurance to its employees.

Central Ohio Technical College obtains hospitalization coverage for its employee through the Ohio State University. The carrier for the hospitalization coverage is NGS American, Inc., Delta Dental for dental insurance and Vision Service Plan for vision insurance. The college pays a composite rate per employee and the employees co-pay based on their insurance plan and level of coverage. Premiums are paid from the same funds that pay the employees' salaries.

Central Ohio Technical College is involved from time to time in routine litigation. Management does not believe that the ultimate resolution of this litigation will be material to its financial condition or results of operation.



December 7, 2007

The Board of Trustees
Central Ohio Technical College
Newark, OH 43055

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

We have audited the basic financial statements of Central Ohio Technical College (the "College") as of and for the year ended June 30, 2007, and have issued our report thereon dated December 7, 2007. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Central Ohio Technical College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of 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 entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

The Board of Trustees
Central Ohio Technical College
Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards
December 7, 2007
Page 2

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 deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Central Ohio Technical College in a separate letter dated December 7, 2007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Ohio Technical College's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted other matters involving the compliance and other matters that we have reported to management of Central Ohio Technical College in a separate letter dated December 7, 2007.

This report is intended for the information of the Board of Trustees, 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.

Hea & Associates, Inc.

New Philadelphia, OH 44663



December 7, 2007

The Board of Trustees
Central Ohio Technical College
Newark, OH 43055

**Independent Auditor's Report on Compliance with Requirements Applicable to
Each Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133**

Compliance

We have audited the compliance of Central Ohio Technical 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 each of its major federal programs for the year ended June 30, 2007. Central Ohio Technical College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Central Ohio Technical College's management. Our responsibility is to express an opinion on Central Ohio Technical 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 Circulars 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 Central Ohio Technical College's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Central Ohio Technical College's compliance with those requirements.

In our opinion, Central Ohio Technical College complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Central Ohio Technical College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Central Ohio Technical 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 but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Ohio Technical College's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

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

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

Hea & Associates, Inc.

New Philadelphia, OH 44663

CENTRAL OHIO TECHNICAL COLLEGE
LICKING COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2007

	<u>Federal CFDA Number</u>	<u>Pass through Entity Identifying Number</u>	<u>Expenditures</u>
<u>U.S. Department of Education</u>			
<i>Direct Award</i>			
Student Financial Aid Cluster			
Federal Family Education Loan (Note 2)	84.032		\$ 9,259,209
Federal Pell Grant	84.063		3,868,271
Federal Supplemental Education Opportunity Grant (SEOG)	84.007		93,447
Federal Work Study	84.033		113,338
Academic Competitiveness Grant	84.375		<u>25,087</u>
Total Student Financial Aid Cluster			13,359,352
 <i>Passed Through State Department of Education</i>			
Perkins Grant			
Disability Services	84.048	06507820-C3	<u>92,676</u>
Total Perkins Grants			<u>92,676</u>
 <i>Passed through Columbus State Community College</i>			
Technical Preparation Education			
Tech Prep Heart of Ohio			117,247
Tech Prep Expanded Enrollment Engineering			<u>6,000</u>
Total Technical Preparation Education	84.243	650783E-00	<u>123,247</u>
Total U.S. Department of Education			13,575,275
United States Department of Health & Human Services			
<i>Passed through Ohio Board of Regents:</i>			
Temporary Assistance for Needy Families:			
TEAP Grant	93.558	N/A	52,802
 <u>Department of Homeland Security</u>			
<i>Direct Award</i>			
Public Assistance Grants	97.036		186
 <u>U.S. Department of Agriculture</u>			
<i>Passed through State Department of Education</i>			
Child and Adult Care Food Program	10.558	097659-CCMU	15,149
	10.558	097659-LUCU	<u>1,572</u>
Total Child and Adult Care Food Program			<u>16,721</u>
Total Expenditures of Federal Awards			<u>\$ 13,644,984</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of these statements.

CENTRAL OHIO TECHNICAL COLLEGE
LICKING COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2007

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of the College and is presented on the accrual basis of accounting. 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. Therefore some amounts presented in this schedule can differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2 – OUTSTANDING LOANS

The College originates but does not make Federal Family Education Loans (FFELs). For the fiscal year 2006 - 2007, the College certified need for \$9,259,209 in Guaranteed Student Loans and Supplemental Loans. The amount presented represents the value of new FFELs awarded during the fiscal year as follows:

Federal Stafford Loans	\$ 4,657,253
Federal Unsubsidized Stafford Loans	4,532,797
Plus Loans	<u>69,159</u>
Total FFELs	<u>\$ 9,259,209</u>

**CENTRAL OHIO TECHNICAL COLLEGE
LICKING COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, SECTION .505
JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other internal control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other internal control deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs (list):	Student Financial Assistance Cluster: CFDA #84.063, 84.033, 84.032, 84.007, 84.375
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	No

2. FINDINGS RELATING TO THE FINANCIAL STATEMENTS

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

CENTRAL OHIO TECHNICAL COLLEGE
 LICKING COUNTY
 APPOINTED OFFICIALS
 June 30, 2007

Board of Trustees:

<u>Title/Name</u>	<u>Term Expires</u>	<u>Surety</u>	<u>Amount of Coverage</u>
Chairperson/ Sarah R. Wallace (1)	2008	(2)	\$ 1,000,000
Vice-Chairperson/ Cheryl L. Snyder (1)	2009	(2)	1,000,000
<u>Members</u>			
Jill H. Griesse	2009	(2)	1,000,000
John F. Hinderer (1)	2008	(2)	1,000,000
Michael J. Menzer (1)	2009	(2)	1,000,000
Mark R. Ramser (1)	2007	(2)	1,000,000
Barry M. Riley (1)	2007	(2)	1,000,000
Robert B. Robinson	2007	(2)	1,000,000
Lee Wyse	2008	(2)	1,000,000

(1) School Board Caucus

(2) Utica National Insurance Group, Republic Franklin Insurance Company of New Hartford, New York. The College also has a \$10 million umbrella insurance policy with Utica National Insurance Group.

CENTRAL OHIO TECHNICAL COLLEGE
LICKING COUNTY
ADMINISTRATIVE PERSONNEL
June 30, 2007

<u>Name and Address</u>	<u>Title</u>	<u>Surety</u>	<u>Amount of Coverage</u>
Dr. Bonnie Coe	President Central Ohio Technical College	(1)	\$1 million
Mr. David Brillhart	VP Business & Finance	(1)	\$1 million
Mr. John Berry	VP Student Affairs	(1)	\$1 million
Dr. Catherine Gynn	Chief Information Officer	(1)	\$1 million
Ms. Jacqueline Parrill	VP Institutional Planning & HR Development	(1)	\$1 million

- (1) Utica National Insurance Group, Republic Franklin Insurance Company of New Hartford, New York. The College also has a \$10 million umbrella insurance policy with Utica National Insurance Group.



Mary Taylor, CPA
Auditor of State

CENTRAL OHIO TECHNICAL COLLEGE

LICKING 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 15, 2008**