

**NORTH COLLEGE HILL CITY
SCHOOL DISTRICT**

**GENERAL-PURPOSE FINANCIAL
STATEMENTS AND SINGLE
AUDIT REPORTS**

for the year ended June 30, 1999

Foxx & Company
Certified Public Accountants

**NORTH COLLEGE HILL CITY
SCHOOL DISTRICT**

**GENERAL-PURPOSE FINANCIAL
STATEMENTS AND SINGLE
AUDIT REPORTS**

for the year ended June 30, 1999

Issued by:
Tammy Emrick
Treasurer

**NORTH COLLEGE HILL CITY SCHOOL DISTRICT
TABLE OF CONTENTS**

	Page
Elected Officials	(i)
Administrative Personnel	(ii)
Index of Funds	(iii-iv)
General-Purpose Financial Statements:	
Independent Auditors' Report	1
Combined Balance Sheet - All Fund Types and Account Groups - June 30, 1999	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds - For the Year Ended June 30, 1999	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances, Budget - Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types - For the Year Ended June 30, 1999	6
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types - For the Year Ended June 30, 1999	8
Combined Statement of Cash Flows - All Proprietary Fund Types - For the Year Ended June 30, 1999 -	9
Notes to the General-Purpose Financial Statements	10
Supplemental Information:	
Year 2000 Disclosure	31
Schedule of Expenditures of Federal Awards	32
Notes to Schedule of Expenditures of Federal Awards	33
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	36
Schedule of Findings and Questioned Costs	38
Schedule of Prior Audit Findings and Questioned Costs	39
Corrective Action Plan	40

NORTH COLLEGE HILL CITY SCHOOL DISTRICT - HAMILTON COUNTY

ELECTED OFFICIALS

June 30, 1999

<u>Board of Education</u>	<u>Title</u>	<u>Term of Office</u>
Ronald J. Harmon	President	1/1/98-12/31/01
Jan C. Gardiner	Vice President	1/1/98-12/31/01
Dennis M. Jones	Member	1/1/98-12/31/01
Connie S. Lewis	Member	1/1/96-12/31/99
Jean A. Parmenter	Member	1/1/96-12/31/99

Surety: Nationwide Insurance Company
Amount: \$20,000
Period: 1/1/97-1/1/2000
Salary: \$80 per month

Statutory Legal Council:
Scot Ritter, City Solicitor
1646 West Galbraith Rd
Cincinnati, Ohio 45239

Other Legal Counsel:
Ennis, Roberts and Fischer Attorneys
121 West Ninth Street
Cincinnati, Ohio 45202-1904

District Address:
Board of Education
1498 West Galbraith Road
Cincinnati, Ohio 45231

NORTH COLLEGE HILL CITY SCHOOL DISTRICT - HAMILTON COUNTY

ADMINISTRATIVE PERSONNEL

June 30, 1999

Superintendent:

Name:	Stanley Wernz
Contract Period:	8/1/97 - 7/31/00
Surety:	Nationwide Insurance Company
Amount:	\$20,000
Period Covered:	1/1/97 - 1/1/2000
Salary:	\$88,310

Assistant Superintendent:

Name:	Kay Faris
Contract Period:	8/1/97 - 7/31/00
Surety:	Nationwide Insurance Company
Amount:	\$20,000
Period Covered:	1/1/97 - 1/1/2000
Salary:	\$75,499

Treasurer:

Name:	Tammy Emrick
Contract Period:	1/1/98 - 12/31/01
Surety:	Wausau Insurance Company
Amount:	\$50,000
Period Covered:	1/1/98 - 1/1/02
Salary:	\$56,388

NORTH COLLEGE HILL CITY SCHOOL DISTRICT - HAMILTON COUNTY

INDEX OF FUNDS

June 30, 1999

GOVERNMENTAL FUND TYPE:

General Fund

Special Revenue Fund Type:

Public School Support Fund
Local Grant Fund
Kattelman Scholarship Fund
Venture Capital Grant Fund
Termination Benefits Fund
Athletic Fund
Auxiliary Services Fund
Career Education Fund
Teacher Development Fund
Education Management Information System Fund
Entry Year Mentoring Grant Fund
Disadvantaged Pupil Impact Aid Fund
Textbook Subsidy Fund
Civil Rights Technical Assistance Fund
Title VI-B Fund
Title I Fund
Title VI Fund
Drug Free Schools Grant Fund
Handicapped Pre-School Grant Fund
E-rate Fund
Goals 2000 Proficiency Intervention Fund

Debt Service Fund Type:

Bond Retirement Fund

Capital Projects Fund Type:

Schoolnet Plus Fund
Power Up Grant Fund
IDVL Project Fund

PROPRIETARY FUND TYPES:

Enterprise Fund Type:

Food Service Fund
Uniform School Supplies Fund

FIDUCIARY FUND TYPES:

Trust and Agency Fund Type:

Expendable Trust Funds:

Special Trust Fund

Agency Funds:

Student Activity Fund

GENERAL-PURPOSE FINANCIAL STATEMENTS



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398

Members of the Board of Education
North College Hill City School District
Cincinnati, Ohio

We have reviewed the Independent Auditor's Report of the North College Hill City School District, Butler County, prepared by Foxx & Company, for the audit period July 1, 1998 through June 30, 1999. 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 North College Hill City School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro", written over a large, stylized flourish.

JIM PETRO
Auditor of State

January 6, 2000



Foxx & Company
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Members of the Board of Education
North College Hill City School District

We have audited the accompanying general-purpose financial statements of the North College Hill City School District (the District), as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 1999 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

The Year 2000 Supplementary Information on page 31 is not a required part of the general-purpose financial statements but is supplemental information required by the Governmental Accounting Standards Board and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because the disclosure criteria specified by Governmental Accounting Standards Board Technical Bulletin 98-1, as amended, are not sufficiently specific and, therefore, preclude the prescribed procedures from providing meaningful results. In addition, we do not provide assurance that the District is or will become Year 2000 compliant, that the District's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the District does business are or will become Year 2000 compliant.

Foxx & Company

Cincinnati, Ohio
November 24, 1999

NORTH COLLEGE HILL CITY SCHOOLS
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1999

	GOVERNMENTAL FUND TYPES			
	General Fund	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS:				
Assets:				
Equity in pooled cash and investments.....	\$2,506,383	\$338,841	\$16,076	\$91,382
Receivables (net of allowances for uncollectibles)				
Taxes - current.....	3,351,182	-	-	-
Taxes - delinquent.....	307,228	-	-	-
Accounts.....	3,625	384	-	-
Accrued interest.....	34,213	-	-	-
Intergovernmental - state and local.....	447,500	3,741	-	-
Materials and supplies inventory.....	8,212	-	-	-
Restricted Assets;				
Equity in pooled cash and investments.....	111,494	-	-	-
Property, plant and equipment (net of accumulated depreciation, where applicable).....	-	-	-	-
Other debits:				
Amount available for debt service.....	-	-	-	-
Amount to be provided for retirement of General Long-term Obligations.....	-	-	-	-
Total assets and other debits.....	\$6,769,837	\$342,966	\$16,076	\$91,382
LIABILITIES, EQUITY AND OTHER CREDITS:				
Liabilities:				
Accounts payable.....	\$36,422	\$10,009	-	-
Accrued wages and benefits.....	728,872	126,513	-	-
Due to other governments.....	4,458	-	-	-
Deferred revenue.....	2,944,153	-	-	-
Due to students and other groups.....	-	-	-	-
Compensated absences payable	-	-	-	-
Obligation under capital leases.....	-	-	-	-
Total liabilities.....	3,713,905	136,522	0	0
Fund equity and other credits:				
Investment in general fixed assets.....	-	-	-	-
Retained earnings: unreserved.....	-	-	-	-
Fund equity:				
Reserved-				
Reserved for supplies inventory.....	8,212	-	-	-
Reserved for encumbrances.....	499,687	37,144	-	1,114
Reserved for debt service.....	-	-	16,076	-
Reserved for property taxes.....	1,161,757	-	-	-
Reserved for budget stabilization.....	111,494	-	-	-
Reserved for instructional material.....	215	-	-	-
Reserved for capital improvements.....	1,196	-	-	-
Designated for budget stabilization.....	219,974	-	-	-
Unreserved - Undesignated.....	1,053,397	169,300	-	90,268
Total equity and other credits.....	3,055,932	206,444	16,076	91,382
Total liabilities, equity and other credits.....	\$6,769,837	\$342,966	\$16,076	\$91,382

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS			Totals (Memorandum Only)
		Enterprise	Trust and Agency	General Fixed Assets	
\$323,518	\$48,214	-	-	\$3,324,414	
-	-	-	-	3,351,182	
-	-	-	-	307,228	
460	-	-	-	4,469	
-	-	-	-	34,213	
262	-	-	-	451,503	
5,831	-	-	-	14,043	
-	-	-	-	111,494	
50,601	-	\$5,780,998	-	5,831,599	
-	-	-	\$16,076	16,076	
-	-	-	548,716	548,716	
<u>\$380,672</u>	<u>\$48,214</u>	<u>\$5,780,998</u>	<u>\$564,792</u>	<u>\$13,994,937</u>	
\$2,601	-	-	-	\$49,032	
15,440	-	-	-	870,825	
-	-	-	-	4,458	
4,536	-	-	-	2,948,689	
-	\$22,756	-	-	22,756	
-	-	-	\$551,218	551,218	
-	-	-	13,574	13,574	
<u>22,577</u>	<u>22,756</u>	<u>0</u>	<u>564,792</u>	<u>4,460,552</u>	
-	-	\$5,780,998	-	5,780,998	
358,095	-	-	-	358,095	
-	-	-	-	8,212	
-	-	-	-	537,945	
-	-	-	-	18,076	
-	-	-	-	1,181,757	
-	-	-	-	111,494	
-	-	-	-	215	
-	-	-	-	1,196	
-	-	-	-	219,974	
-	25,458	-	-	1,338,423	
<u>358,095</u>	<u>25,458</u>	<u>5,780,998</u>	<u>0</u>	<u>9,534,385</u>	
<u>\$380,672</u>	<u>\$48,214</u>	<u>\$5,780,998</u>	<u>\$564,792</u>	<u>\$13,994,937</u>	

NORTH COLLEGE HILL CITY SCHOOLS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 1999

	GOVERNMENTAL FUND TYPES			
	General Fund	Special Revenue	Debt Service	Capital Projects
Revenues:				
From local sources:				
Taxes.....	\$3,767,688	-	-	-
Tuition.....	97,879	-	-	-
Earnings on investments.....	174,692	\$2,249	-	-
Other local revenues.....	7,990	72,187	-	-
Intergovernmental - federal, state and local.....	4,482,695	716,227	-	88,925
Total revenues.....	8,530,944	790,663	0	88,925
Expenditures:				
Current:				
Instruction:				
Regular.....	3,873,314	84,002	-	26,706
Special.....	788,785	196,006	-	-
Vocational.....	67,228	-	-	-
Other.....	43,755	-	-	-
Support services:				
Pupil.....	362,392	209,485	-	-
Instructional staff.....	301,378	134,626	-	-
General administration.....	39,023	-	-	-
School administration.....	702,247	1,336	-	-
Fiscal.....	235,725	-	-	-
Operations and maintenance.....	851,123	-	-	-
Pupil transportation.....	111,892	148	-	-
Central.....	0	34,490	-	-
Community services.....	179	163,223	-	-
Extracurricular activities.....	199,880	65,163	-	-
Capital outlay.....	542,983	-	-	-
Debt service:				
Principal retirement.....	9,926	-	-	-
Interest and fiscal charges.....	1,521	-	-	-
Total expenditures.....	8,131,349	888,479	0	26,706
Excess (deficiency) of revenues over (under) expenditures.....	399,595	(97,816)	0	62,219
Other financing sources (uses):				
Refund of prior year expenditures.....	12,618	18	-	-
Operating transfers in.....	599,043	138,200	-	-
Operating transfers (out).....	(729,043)	-	-	-
Proceeds of sale of fixed assets.....	318	-	-	-
Total other financing sources (uses).....	(117,064)	138,218	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses.....	282,531	40,402	0	62,219
Fund balance, July 1.....	2,773,399	166,043	16,076	29,163
Fund balance, June 30.....	\$3,055,930	\$206,445	\$16,076	\$91,382

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FIDUCIARY
FUND TYPE

Expendable Trust	Totals (Memorandum Only)
-	\$3,767,688
-	97,879
\$1,286	178,227
12,500	92,677
-	5,287,847
<u>13,786</u>	<u>9,424,318</u>
-	3,984,022
-	984,791
-	87,226
-	43,755
49	571,926
-	436,004
-	39,023
81	703,664
-	235,725
-	851,123
-	112,040
-	34,490
4,089	167,491
-	265,043
-	542,983
-	9,926
-	1,521
<u>4,219</u>	<u>9,050,753</u>
9,567	373,565
-	12,636
-	737,243
(8,200)	(737,243)
-	318
<u>(8,200)</u>	<u>12,954</u>
1,367	386,519
<u>24,091</u>	<u>3,008,772</u>
<u>\$25,458</u>	<u>\$3,395,291</u>

NORTH COLLEGE HILL CITY SCHOOLS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 1999

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
From local sources:						
Taxes.....	\$3,495,677	\$3,495,677	\$0	\$0	\$0	\$0
Tuition.....	107,500	98,134	(9,366)	0	0	0
Earnings on investments.....	210,500	177,306	(33,194)	2,301	2,249	(52)
Other local revenues.....	20,000	20,787	787	70,404	71,803	1,399
Intergovernmental - state, local and federal.....	4,423,855	4,482,945	59,090	741,114	712,486	(28,628)
Total revenues.....	8,257,532	8,274,849	17,317	813,819	786,538	(27,281)
Expenditures:						
Current:						
Instruction:						
Regular.....	4,304,647	3,937,730	366,917	91,403	57,205	34,198
Special.....	970,790	784,832	185,958	273,035	195,229	77,806
Vocational.....	70,093	65,842	4,251	0	0	0
Other.....	58,730	43,755	14,975	0	0	0
Support services:						
Pupil.....	434,922	351,736	83,186	208,220	175,925	32,295
Instructional staff.....	390,119	343,480	46,639	160,488	132,269	28,219
General administration.....	46,385	44,369	2,016	0	0	0
School administration.....	744,921	721,727	23,194	1,405	1,220	185
Fiscal.....	254,329	226,394	27,935	0	0	0
Business.....	10,345	9,927	418	0	0	0
Operations and maintenance.....	994,210	913,991	80,219	200	200	0
Pupil transportation.....	141,580	121,526	20,054	148	148	0
Central.....	1,100	0	1,100	36,276	34,490	1,786
Community services.....	200	179	21	170,736	168,331	2,405
Extracurricular activities.....	179,206	160,993	18,213	84,939	78,401	6,538
Capital outlay.....	1,160,895	836,012	324,883	0	0	0
Debt service:						
Principal retirement.....	0	0	0	0	0	0
Interest and fiscal charges.....	0	0	0	0	0	0
Total expenditures.....	9,762,472	8,562,493	1,199,979	1,026,850	843,418	183,432
Excess (deficiency) of revenues over (under) expenditures.....	(1,504,940)	(287,644)	1,217,296	(213,031)	(56,880)	156,151
Other financing sources (uses):						
Operating transfers in.....	602,043	599,043	(3,000)	138,000	138,200	200
Operating transfers (out).....	(730,075)	(729,043)	1,032	0	0	0
Refund of prior year expenditures.....	15,000	12,618	(2,382)	0	18	18
Proceeds of sale of fixed assets.....	0	168	168	0	0	0
Total other financing sources (uses).....	(113,032)	(117,214)	(4,182)	138,000	138,218	218
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses.....	(1,617,972)	(404,858)	1,213,114	(75,031)	81,338	156,369
Fund balance, July 1.....	1,802,454	1,802,454	0	162,878	162,878	0
Prior year encumbrances appropriated.....	720,588	720,588	0	57,481	57,481	0
Fund balance, June 30.....	\$905,070	\$2,118,184	\$1,213,114	\$145,328	\$301,697	\$156,369

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Debt Service			Capital Projects			Total (Memorandum only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0	\$3,495,677	\$3,495,677	\$0
0	0	0	0	0	0	107,500	98,134	(9,366)
0	0	0	0	0	0	212,801	179,555	(33,246)
0	0	0	0	0	0	90,404	92,590	2,186
0	0	0	88,925	88,923	(2)	5,253,894	5,284,354	30,460
0	0	0	88,925	88,923	(2)	9,160,276	9,150,310	(9,966)
0	0	0	151,094	149,750	1,344	4,547,144	4,144,685	402,459
0	0	0	0	0	0	1,243,825	980,061	263,764
0	0	0	0	0	0	70,093	65,842	4,251
0	0	0	0	0	0	58,730	43,755	14,975
0	0	0	0	0	0	643,142	527,661	115,481
0	0	0	0	0	0	550,607	475,749	74,858
0	0	0	0	0	0	46,385	44,369	2,016
0	0	0	0	0	0	746,326	722,947	23,379
0	0	0	0	0	0	254,329	226,394	27,935
0	0	0	0	0	0	10,345	9,927	418
0	0	0	0	0	0	994,410	914,191	80,219
0	0	0	0	0	0	141,728	121,674	20,054
0	0	0	0	0	0	37,376	34,490	2,886
0	0	0	0	0	0	170,936	168,510	2,426
0	0	0	0	0	0	264,145	239,394	24,751
0	0	0	0	0	0	1,160,895	836,012	324,883
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	151,094	149,750	1,344	10,940,416	9,555,661	1,384,755
0	0	0	(62,169)	(60,827)	1,342	(1,780,140)	(405,351)	873,312
0	0	0	0	0	0	740,043	737,243	(2,800)
0	0	0	0	0	0	(730,075)	(729,043)	1,032
0	0	0	0	0	0	15,000	12,636	(2,364)
0	0	0	0	0	0	0	168	168
0	0	0	0	0	0	24,968	21,004	(3,964)
0	0	0	(62,169)	(60,827)	1,342	(1,755,172)	(384,347)	869,348
16,076	16,076	0	696	696	0	1,982,104	1,982,104	0
0	0	0	150,399	150,399	0	928,468	928,468	0
\$16,076	\$16,076	\$0	\$88,926	\$90,268	\$1,342	\$1,155,400	\$2,526,225	\$869,348

NORTH COLLEGE HILL CITY SCHOOLS
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 YEAR ENDED JUNE 30, 1999

	Enterprise
Operating Revenues:	
Sales.....	\$180,638
 Total Operating Revenues.....	 180,638
Operating Expenses:	
Salaries and wages.....	21,260
Fringe benefits.....	31,472
Contract services.....	138,845
Supplies.....	185,475
Depreciation.....	6,853
Other operating expenses.....	1,401
 Total Operating Expenses.....	 385,306
Operating (Loss).....	(204,668)
Nonoperating Revenues (Expenses):	
Donated commodities.....	30,074
Interest Earned.....	11,552
Operating grants - federal, state and local.....	163,540
 Total Nonoperating Revenues (Expenses).....	 205,166
 Net Income	 498
 Retained Earnings - July 1.....	 357,597
 Retained Earnings - June 30.....	 \$358,095

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

NORTH COLLEGE HILL CITY SCHOOLS
 COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 1999
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Enterprise
Cash flows from operating activities:	
Cash received from sales.....	\$181,731
Cash payments for personal services.....	(49,726)
Cash payments for contract services.....	(138,525)
Cash payments for supplies and materials.....	(153,104)
Cash payments for other expenses.....	(1,401)
 Net cash used by operating activities.....	 (161,025)
 Cash flows from noncapital financing:	
Cash received from operating grants.....	163,540
Interest on Investments.....	11,552
 Net cash provided by noncapital financing activities.....	 175,092
 Cash flows from capital and related financing activities:	
Acquisition of capital assets.....	(18,848)
 Net cash used for capital and related financing activities.....	 (18,848)
 Net increase (decrease) in cash and cash equivalents.....	 (4,781)
 Cash and cash equivalents at beginning of year.....	 328,299
 Cash and cash equivalents at end of year.....	 \$323,518
 Reconciliation of operating income to net cash provided by operating activities:	
Operating loss.....	(\$204,668)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation.....	6,853
Donated commodities used.....	30,074
Changes in assets and liabilities:	
Decrease in deferred revenue.....	(1,246)
Decrease in accounts receivable.....	1,355
Increase in intergovernmental receivable.....	(262)
Decrease in supplies inventory.....	1,420
Increase in accrued wages & benefits.....	3,006
Increase in accounts payable.....	2,443
 Net cash used by operating activities...	 (161,025)

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

North College Hill City School District
Notes to the General-Purpose Financial Statements
for the year ended June 30, 1999

NOTE A—DESCRIPTION OF THE DISTRICT

The District was chartered by the Ohio State Legislature in 1832 by state laws enacted to create local Boards of Education. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by 55 non-certificated personnel and 106 certificated full time teaching and administrative personnel to provide services to students and other community members.

The District is ranked 17th in Hamilton County in terms of enrollment. It currently operates 2 elementary schools, 1 middle school (grades 6-8), and 1 high school (grades 9-12).

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principals (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principals. The District's significant accounting policies are described below.

THE REPORTING ENTITY

For financial reporting purposes the District's financial statements include all funds and account groups, and component units for which the District is financially accountable based upon criteria set forth in GASB Statement 14. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the District) are financially accountable. The District would consider an organization to be a component unit if:

1. The District appoints a voting majority of the organization's governing body AND (a) is able to impose its will on that organization OR (b) there is a potential for the organization to provide specific financial burdens on the District; OR
2. The organization is fiscally dependent upon the District; OR
3. The nature of the relationship between the District and the organization is such that the exclusion from the financial reporting entity would render the financial statements of the District misleading.

The following organizations are not part of the District entity and are excluded from the accompanying financial statements:

City of North College Hill - These governments are each a separate body politic and corporate. Nine council members are elected independent of any District relationships, and administer the provisions of traditional City services. Council acts as the taxing authority for these services.

Private Schools: St. Margaret Mary is located within the boundaries of the District:

Private schools, within the boundaries of the District, are operated independently of the District. Current state legislation provide funding to these private schools. These monies are received and disbursed on behalf of the private schools by the Treasurer of the District, as directed by the private school. The accounting for these receipts and disbursements is reflected in an Agency fund of the District as required by Ohio Law, but the private schools' operations are not reflected in the financial statements.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the District are maintained on the basis of fund and account groups, each of which is considered a separate accounting entity. The operation of each fund is accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The following fund types and account groups are used by the District:

Governmental Funds - Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except for those accounted for in proprietary funds) are accounted for through governmental funds. The following are the District's Governmental Fund Types:

General Fund

The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost; and for the payment of interest on general obligation notes payable, as required by Ohio Law.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Proprietary Funds - Proprietary Funds are used to account for the District's ongoing activities which are similar to those most often found in the private sector. The following are the District's Proprietary Fund Types:

Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination or revenues earned, expenses incurred, and /or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Funds - Fiduciary Funds are used to account for the assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Expendable Trust, Nonexpendable Trust and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. The District had no Non-Expendable Trust Funds for the fiscal year ended June 30, 1999. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups - To make a clear distinction between fixed assets related to specific funds and those of general government, and between long term liabilities related to specific funds and those of general nature, the following account groups are used:

General Fixed Assets Account Group

This group of account is established to account for all fixed assets of the District, other than those accounted for in Proprietary Funds and Trust Funds.

General Long Term Obligations Account Group

This group of account is established to account for all long-term obligations of the District, except those accounted for in Proprietary Funds and Trust Funds.

MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement Focus: Governmental Fund Types and Expendable Trust Funds are accounted for on a spending, or "current financial resources" measurement focus. Governmental Fund types and Expendable Trust Funds operating statements represent increases and decreases in net current assets. Their reported fund balances are considered a measure of available spendable resources. Proprietary Fund types are accounted for on a cost of services, or "flow of economic resources," measurement focus. Proprietary Fund types income statements represent increases and decreases in net total assets.

Basis of Accounting: The modified accrual basis of accounting is followed for Governmental Expendable Trust and Agency Funds. Under this basis of accounting revenues are recognized when they become both measurable and available to finance expenditures for the current period, which for the District is 60 days after fiscal year end. Revenue accrued at the end of the fiscal year includes amounts collected at June 30 by the county auditor, delinquent property taxes, interest, tuition, and state and federal grants. Property taxes measurable as of June 30, 1999 and uncollected by the county auditor are not intended to finance fiscal 1999 operations, and have been recorded as deferred revenues. Expenditures are recognized in the period in which the related fund liability is incurred, except interest on long-term debt which is recorded when due.

Proprietary Funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred.

BUDGETARY DATA

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than GAAP. The major difference between the budgetary basis and the GAAP basis are:

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when encumbered, or paid in cash (budgetary), as opposed when susceptible to accrual (GAAP).

The actual results of operations, compared to the final appropriation, which includes amendments to the original appropriation, for each fund type by expenditure function and revenue by source are presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual (Non-GAAP Budgetary Basis). The reserve for encumbrances is carried forward

as part of the budgetary authority for the next year and is included in the revised budget amounts shown in the budget to actual comparisons.

The District adopts an annual budget for all required funds under the Ohio Revised Code, however, only governmental fund types are required to be reported in accordance with generally accepted accounting principles. The specific timetable is as follows:

Prior to January 15 to the preceding fiscal year, the Treasurer submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers comments. The expressed purpose of this budget is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the board-adopted budget is filed with the Hamilton County Budget Commission for tax rate determination.

Prior to April 1, the Board of Education accepts by formal resolution, the tax rates as determined by the Budget Commission and receives the commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate.

By July 1, an annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.

Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions must be approved by the Board of Education.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. All departments/functions and funds completed the year within the amount of their legally authorized appropriation.

Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 1998-99 and none were significant.

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

The original appropriation measure was amended during the year as follows:

Fund Type	
Governmental:	
General Fund	\$200,655
Special Revenue	76,509
Proprietary:	
Enterprise Funds	21,985

ENCUMBRANCES

Encumbrance accounting is utilized by District Funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For governmental fund types encumbrances outstanding at fiscal year end appear as a reserve of the fund balance on a GAAP Basis and for all budgeted funds as the equivalent of expenditures/expenses on a non-GAAP budgetary basis in order to demonstrate legal compliance. Note O provides a reconciliation of the budgetary basis and GAAP basis of accounting.

CASH AND INVESTMENTS

To improve cash management, cash received by the School district is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

During fiscal year 1999, investments were limited to STAROhio, treasury notes, federal agency securities, commercial paper, and certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 1999. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 1999.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 1999 amounted to \$174,692.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments

An analysis of the Treasurer's investment account at year end, June 30, 1999, is provided in Note C.

RESTRICTED ASSETS

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. During fiscal year 1999, the District elected to reserve \$111,494 which represents the total amount required to be reserved under state statute. A fund balance reserve has also been established.

INVENTORY (MATERIAL AND SUPPLIES)

Inventories are valued at lower of cost (First-in, First-out) or market and are determined by physical count. Inventories of Proprietary Funds are expensed when used rather than when purchased. Inventories of Governmental Funds are recorded as expenditures when purchased.

FIXED ASSETS AND DEPRECIATION

General Fixed Assets Account Group - General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$1,000 and a useful life of less than 3 years.

Proprietary Funds - Property, plant and equipment reflected in the proprietary funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided, where appropriate, on a straight-line basis over the estimated useful lives ranging from 5 to 20 years.

INTERGOVERNMENTAL REVENUES

In governmental funds, entitlements and non-reimbursable grants are recorded as receivables and revenue when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants for proprietary fund operations are recognized as revenue when measurable and earned.

INTERFUND TRANSACTIONS

During the course of normal operations the District has numerous transactions between funds. The most significant include:

Routine transfers of resources from one fund to another fund through which resources to be expended are recorded as operating transfers.

Reimbursements from one fund to another fund are treated as expenditure/expenses in the reimbursing fund and as a reduction in expenditures/expenses in the reimbursed fund.

Short-term interfund loans are reflected as interfund loans payable/receivable, while long-term interfund loans (greater than one year in length) are recorded as advances to/from other funds. The District has no long-term advances as of June 30, 1999.

LONG-TERM OBLIGATIONS

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long Term Obligations Account Group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

COMPENSATED ABSENCES

GASB Statement No. 16 specifies that compensated absences should be accrued as they are earned by employees if both of the following conditions are met:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

The criteria for determining vested vacation and sick leave components is derived from negotiating agreements and state laws. In summary, the components of vesting are as follows:

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certified</u>
How earned	Not eligible	20 days per year	10-20 days for each service year depending on length of service.
Maximum Accumulation	N/A	60 days	Must be used in year earned
Vested	N/A	As earned	As earned
Termination Entitlement	N/A	Paid upon termination	Paid upon termination
<u>Sick Leave</u>			
How Earned	1 1/4 days per month of employment (15 days per year maximum)	1 1/4 days per month of employment (15 days per year maximum)	1 1/4 days per month of employment (15 days per year maximum)
Maximum Accumulation	210 days	210 days	210 days
Vested	As earned	As earned	As earned
Termination Entitlement	Per contract	Per policy and board resolution	Per policy

For Governmental Funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the respective Governmental Fund. Amounts that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Obligations Account Group. Compensated absences of Proprietary Funds are recorded as an expense and liability of the respective proprietary fund.

FUND EQUITY

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, inventory, debt service, property taxes and the budget stabilization reserve. Fund balances are also designated for funds set aside for budget stabilization in excess of statutory requirements. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purpose of those funds.

MEMORANDUM ONLY-TOTAL COLUMNS

Total columns on the general purpose financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

AUTHORITATIVE SOURCES

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting", the district applies all GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board of Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

NOTE C--EQUITY IN POOLED CASH AND INVESTMENTS

State statutes classify monies held by the district 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 District treasury, in commercial accounts payable or withdrawals on demand, including negotiable order of withdrawal (NOW accounts) or in money market deposit accounts.

Inactive deposits are public deposits the Board of Education 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 of 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.

Protection of the School district's deposits is provided by the Deferral 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 moneys 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 purchase 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. 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;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys 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 School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investing to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation or transfer from the custodian.

Deposits - At year end the carrying amount of the District's deposits was \$610,635 and the bank balance was \$680,393 (excluding payroll clearing accounts with a book balance of \$0 and a bank balance of \$150,186). Of the bank balance \$200,000 was covered by federal depository insurance, and \$630,579 was covered by collateral held by third party trustees pursuant to section 135.181 of the Ohio Revised Code, in collateral pools serving all public funds on deposit with specific depository institutions.

Investments - The District's investments are categorized to give an indication of the level of risk assumed by the entity at year end. CATEGORY 1 includes investments that are issued or registered or for which the securities are held by the District or its agent in the District's name. CATEGORY 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the District's name. CATEGORY 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer or by its department or agent, but not in the District's name. STAROhio, an investment fund operated by the Ohio State Treasurer, is unclassified since it is not evidenced by securities that exist in physical or book entry form.

Based on the above criteria, the District's investments at June 30, 1999 are classified as follows:

	<u>Category 1</u>	<u>Reported Amount</u>	<u>Fair Value</u>
FHLB Note	\$140,000	\$140,000	\$140,000
U.S. Treasury Notes	648,828	648,828	648,828
U.S. Treasury Bills	204,847	204,847	204,847
FNMA Notes	637,338	637,338	637,338
Federal Farm Credit	200,556	200,556	200,556
STAROhio		<u>993,704</u>	<u>993,704</u>
	<u>\$1,831,569</u>	<u>\$2,825,273</u>	<u>\$2,825,273</u>

NOTE D—DEBT SERVICE FUNDS

The District maintains \$16,076 within its debt service fund. A court order is required to transfer the monies for other purposes. The District has elected to maintain the cash balance in the debt service in anticipation of future debt issues.

NOTE E-PROPERTY TAXES

Property taxes include amount levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 1998 were based as follows:

Tangible Personal	\$4,391,940
Real Estate	<u>111,709,700</u>
Total Valuation	<u>\$116,101,640</u>

In 1999 real property taxes were levied in January on the assessed values as of January 1, 1998, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in January, 1999. Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25% of true value (as defined). In 1999, each business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State.

Real property taxes are payable annually or semi-annually. In 1999, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

The County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of Real and Public utility property taxes in February and August and Tangible personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which are measurable at June 30, 1999. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 1999. All other tax receivables are recorded with an offset credit to deferred revenue, because although measurable they are intended to finance the next fiscal year's operations.

NOTE F--RECEIVABLES

Receivables at June 30, 1999 consisted of taxes, accounts receivables, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose of the nonpayment of taxes, the stable condition of State Programs, and the current year guarantee of Federal Funds.

A summary of the principal items of receivables follows:

<u>Fund</u>	<u>Type of Receivable</u>	<u>Amount</u>
General Fund	Taxes	\$3,658,410
	Due from other Governments	447,500

NOTE G--FIXED ASSETS

A summary of the changes in the General Fixed Assets Account Group during the fiscal year follows:

	<u>Balance at June 30, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 1999</u>
Land/Land Improvements	\$166,088	\$-0-	\$-0-	\$166,088
Building/Building Improvements	2,944,448	431,399	-0-	3,375,847
Furniture Fixtures/ Equipment	<u>1,904,460</u>	<u>378,101</u>	<u>43,498</u>	<u>2,239,063</u>
Total	<u>\$5,014,996</u>	<u>\$809,500</u>	<u>\$43,498</u>	<u>\$5,780,998</u>

There was no significant construction in progress as of June 30, 1999.

A summary of the Proprietary Fund fixed assets at June 30, 1999 follows:

Furniture and Equipment	\$167,747
Less Accumulated Depreciation	<u>(117,146)</u>
Net Fixed Assets - Proprietary Fund	<u>\$50,601</u>

NOTE H—CAPITAL LEASE OBLIGATIONS

In prior years, the District has entered into capitalized leases for the acquisition of certain office equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13. Capital lease payments are reflected as debt service in the combined financial statements for the governmental funds. Equipment acquired by capital lease has been capitalized in the General Fixed Asset Account Group in an amount equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the General Long-term Debt Account Group. Principal payments in 1999 totaled \$9,926.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 1999.

	<u>Year</u> <u>Ending</u>	<u>Amount</u>
	2000	\$11,447
	2001	<u>2,863</u>
Total Minimum Lease Payments		14,310
Less:		
Amount Representing Interest		736
Present Value of Minimum Lease Payments		\$13,574

NOTE I—CHANGES IN THE GENERAL LONG TERM OBLIGATIONS ACCOUNT GROUP

During the year ended June 30, 1999 the following changes occurred in liabilities reported in the General Long Term Obligations Account Group. Compensated absences will be paid from the fund from which the employee is paid.

	<u>July 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 1999</u>
Compensated Absence:				
Vacation	\$76,215	\$53,711	\$48,237	\$81,689
Accrued Sick Leave	464,746	60,900	56,117	469,529
General Obligation Debt:				
Capital Leases	<u>23,499</u>	<u>-0-</u>	<u>9,925</u>	<u>13,574</u>
Total	<u>\$564,460</u>	<u>\$114,611</u>	<u>\$114,279</u>	<u>\$563,792</u>

NOTE J—LEGAL DEBT MARGINS

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the district.

The effects of these debt limitations at June 30, 1999 are a voted debt margin of \$10,449,148 and an unvoted debt margin of \$116,102.

NOTE K—SET ASIDE DISCLOSURES

The school district is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization.

The following cash basis information describes the change in the year end set-aside amounts for instructional materials, capital improvements, and budget stabilization. Disclosure of this information is required by State statute.

Reserved Fund Balances

	<u>Instructional Materials</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Cash Balance as of June 30, 1998	\$-0-	\$-0-	\$44,601	\$44,601
Current Year Set-aside Requirement	133,787	133,787	66,893	334,467
Qualifying Disbursements	<u>133,572</u>	<u>132,591</u>	<u>-0-</u>	<u>266,163</u>
Set Aside Cash Balance As of June 30, 1999	<u>\$215</u>	<u>\$1,196</u>	<u>\$111,494</u>	<u>\$112,905</u>

Designated Fund Balances

	<u>Instructional Materials</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Additional Money Set-aside as Of June 30, 1999	\$-0-	\$-0-	\$219,974	\$219,974

The School District also set-aside additional money in excess of statutory requirements for budget stabilization. This amount is presented on the balance sheet a designation of fund balance rather than as a reserve and is therefore not included in restricted assets.

NOTE L--SEGMENT INFORMATION

Enterprise Funds - The District maintains two Enterprise Funds to account for the operations of Food Service and Uniform School Supply. The table below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the District as of and for the year ended June 30, 1999.

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Total</u>
Operating Revenues	\$131,245	\$49,373	\$180,618
Operating Expenses	<u>343,312</u>	<u>38,113</u>	<u>381,425</u>
Operating (Loss) Income	(212,067)	11,280	(200,787)
Nonoperating Revenue	<u>205,166</u>	<u>-0-</u>	<u>205,166</u>
Net Income (Loss)	<u>(6,901)</u>	<u>11,280</u>	<u>4,379</u>
Net Working Capital	<u>228,556</u>	<u>78,939</u>	<u>307,495</u>
Total Assets	<u>303,492</u>	<u>81,062</u>	<u>384,554</u>
Total Liability	<u>20,454</u>	<u>2,123</u>	<u>22,577</u>
Total Equity	<u>283,038</u>	<u>78,939</u>	<u>361,977</u>

NOTE M--EMPLOYEE RETIREMENT SYSTEMS

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 10.5 percent was the portion used to fund pension obligations. Prior to July 1, 1997, the portion used to fund pension obligations was 12 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions to STRS for the years ending June 30, 1999, 1998, and 1997 were \$612,619, \$573,118, and \$545,178 respectively, equal to the required contributions for each year.

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1998, 9.79 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions to SERS for the years ending June 30, 1999, 1998, and 1997 were \$155,913, \$142,746, and \$133,145 respectively, equal to the required contributions for each year.

NOTE N--POST EMPLOYMENT BENEFITS

The district provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by state statute. Both systems are funded on a pay-as-you-go basis.

The State Teachers Retirement Board has statutory authority over how much if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June

30, 1997, the Board allocated employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. Beginning July 1, 1997, this allocation was increased to 3.5 percent. For the School District, this amount equaled \$153,155 during fiscal 1999.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2,156 million at June 30, 1998. For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and 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 percent of the premium.

For the fiscal year, employer contributions to fund health care benefits were 4.98 percent of covered payroll, an increase from 4.2 percent for fiscal year 1998. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, prorated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 125.0 percent of annual health care expenses. Expenses for health care at June 30, 1998, were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998 SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$55,458 during the 1999 fiscal year

NOTE O--BUDGET TO GAAP RECONCILIATION

While the School District is reporting financial position, results of operations, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non GAAP Budgetary Basis)-All Governmental Fund Types type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis),

3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Reconciliation of Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses From GAAP
Basis to Budgetary Basis

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund
GAAP Basis	\$282,531	\$40,402	\$-0-	\$62,219
Adjustments:				
Revenue Accruals	256,089	4,125	-0-	-0-
Expenditure Accruals(443,791)	(443,791)	73,955	-0-	(121,932)
Encumbrances	<u>(499,687)</u>	<u>(37,144)</u>	<u>-0-</u>	<u>(1,114)</u>
Budgetary Basis	<u>\$(404,858)</u>	<u>\$81,338</u>	<u>\$-0-</u>	<u>\$(60,827)</u>

NOTE P--COMPLIANCE AND ACCOUNTABILITY

State Statute requires all funds to certify appropriations within estimated resources and beginning fund balances. All funds had appropriations within estimated resources and beginning fund balances.

State Statute also requires all funds to have expenditures and encumbrances within approved appropriation limits. All funds of the District had expenditures and encumbrances within the approved appropriations.

NOTE Q--RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial general liability insurance against these risks and all other risks of loss, including workers' compensation and employee health and accident insurance.

NOTE R--STATE SCHOOL FUNDING DECISIONS

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the state's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program," which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 1999 the District received \$3,890,849 of school foundation support for its general fund, and \$4,031,169 in total support. As of the date of these financial statements, the District is unable to determine what effect, if any, this decision will have on its future state funding under this program.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio supreme Court, and , as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

NOTE S--JOINT VENTURE

The Hamilton/Clermont Cooperative Association (HCCA) is a governmental joint venture consisting of 24 school districts. The joint venture was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports HCCA based upon a per pupil charge dependent upon the software package utilized. HCCA is governed by a board of directors consisting of the superintendents of the member school districts. The degree of control exercised by any participating School District is limited to its representation on the board. The Board consists of one representative from each of the participating 24 school districts. During the 1999 fiscal year the District paid \$14,921 to HCCA for services.

SUPPLEMENTAL INFORMATION

North College Hill City School District
Year 2000 Disclosure
June 30, 1999

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations as early as fiscal 1999.

North College Hill City School District has completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as being financial reporting, payroll and employee benefits, and educational statistics reporting (through the State's Education management and Information Systems (EMIS)).

The District uses the State of Ohio Uniform School Accounting System software for its financial reporting, and the State of Ohio Uniform Staff Payroll system software for its payroll and employee benefits. The State is responsible for remediating these systems.

The State of Ohio distributes a substantial sum of money to the District in the form of "Foundation" and federal and state grant payments. Further, the state processes a significant amount of financial and non-financial information about the District through EMIS. The State is responsible for remediating these systems.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the North College Hill City School District is or will be Year 2000 ready, that the North College Hill City School District's remediation efforts will be successful in whole or in part, or that parties with whom the North College Hill City School District does business will be Year 2000 ready.

SUPPLEMENTARY INFORMATION

NORTH COLLEGE HILL CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

for the year ended June 30, 1999

<u>Grantor Agency/Program Title</u>	<u>Pass-Through Entity No.</u>	<u>CFDA Number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
<u>U.S. Department of Agriculture</u> <i>Passed Through Ohio Department of Education</i>						
Food Distribution Program	N/A	10.550	\$ -	\$30,074	\$ -	\$31,321
Child Nutrition Cluster:						
School Breakfast Program	05-PU-98/99	10.553	11,624	-	11,624	-
National School Lunch Program	03/04-PU-98/99	10.555	142,027	-	142,027	-
Total Nutrition Cluster			153,651	-	153,651	-
Total U.S. Department of Agriculture			153,651	30,074	153,651	31,321
<u>U.S. Department of Education</u> <i>Passed Through Ohio Department of Education</i>						
Special Education Cluster:						
Special Education-Grants to States	6B-SF-98	84.027	67,064	-	65,780	-
Special Education - Preschool Grant	PG-SI-98	84.173	6,084	-	6,050	-
Total Special Education Cluster			73,148	-	71,830	-
Title I Grants to Local Educational Agencies	CI-SI-99	84.010	227,268	-	231,513	-
Safe and Drug Free Schools and Communities - State Grants	DR-SI-99	84.186	22,287	-	19,748	-
Goals 2000 - State and Local Education Systemic Improvement Grants	G2-A2/SI/52-97/99	84.276	9,378	-	9,808	-
Innovative Education Program Strategies	C2-SI-97/99	84.298	7,142	-	4,636	-
<i>Passed Through Great Oaks Career Center</i>						
Vocational Education Basic Grants to States	N/A	84.048	3,846	-	2,207	-
Total - U.S. Department of Education			343,069	-	339,742	-
<u>Other</u>						
FCC E-rate Technical Assistance Program	N/A	N/A	11,733	-	-	-
Total Federal Financial Assistance			508,453	30,074	493,393	31,321

NORTH COLLEGE HILL CITY SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

for the year ended June 30, 1999

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of North College Hill City School District's Federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION PROGRAM

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with state grants. It is assumed federal monies are expended first. At June 30, 1999, the District had no significant food commodities in inventory.

NOTE C - FCC E-RATE TECHNICAL ASSISTANCE PROGRAM

The FCC E-rate program is a federal grant program which is paid directly to telecommunication service providers. These companies provide refunds or credits to participating entities. Expenditures of these refunds, or credits provided by service providers, are used toward current or future bills. The program has not been assigned a CFDA number or pass-through entity number.



Foxx & Company
Certified Public Accountants

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Members of the Board of Education
North College Hill City School District

We have audited the financial statements of the North College Hill City School District, (the District), as of and for the year ended June 30, 1999, and have issued our report thereon dated November 24, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

This report is intended solely for the information and use of management, 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.

Fox & Company

Cincinnati, Ohio
November 24, 1999



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Members of the Board of Education
North College Hill City School District

Compliance

We have audited the compliance of the North College Hill City School District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District'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 the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

Internal Control Over Compliance

The management of the District 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 the District's internal control over compliance with requirements that could have a direct and material effect on a major federal

program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

This report is intended solely for the information and use of management, 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.

Fox & Company

Cincinnati, Ohio
November 24, 1999

NORTH COLLEGE HILL CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 1999

1. Summary of Auditors' Results

Type of financial statement opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reported noncompliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness conditions reported for major federal programs?	No
Were there any other reported internal control weakness conditions reported for major federal programs?	No
Type of Major Programs' compliance opinion	Unqualified
Are there any reportable findings under § .510?	No
Major programs	Title I Grants to Local Educational Agencies CFDA # 84.010
Dollar threshold for Type A/B programs	Type A: Over \$300,000 Type B: All others
Low risk auditee?	Yes

**2. Findings Related to the Financial Statements
Required to be Reported in Accordance with GAGAS**

None

3. Findings and Questioned Costs for Federal Awards

None

NORTH COLLEGE HILL CITY SCHOOL DISTRICT

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

June 30, 1999

There were no prior audit findings or questioned costs relative to Federal awards for the audit of the North College Hill City School District for the year ended June 30, 1998.

NORTH COLLEGE HILL CITY SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

June 30, 1999

A corrective action plan is not required.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

NORTH COLLEGE HILL CITY SCHOOL DISTRICT
HAMILTON 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.

By: *Susan Babbitt*
Clerk of the Bureau

Date: JAN 18 2000