

GARY B. FINK & ASSOCIATES, INC.

CERTIFIED PUBLIC ACCOUNTANTS

NORTH CENTRAL TECHNICAL COLLEGE

INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1999

Professional Accountants
for
Professional Government

NORTH CENTRAL TECHNICAL COLLEGE

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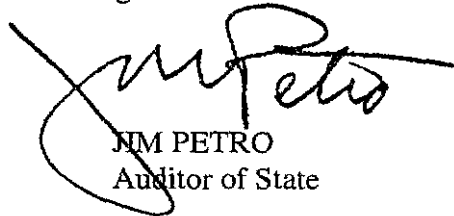
STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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Board of Trustees
North Central Technical College
Mansfield, Ohio

We have reviewed the Independent Auditor's Report of the North Central Technical College, Richland County, prepared by Gary B. Fink & Associates, Inc., for the audit period July 1, 1998 to 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 Central Technical College is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

January 10, 2000

CERTIFIED PUBLIC ACCOUNTANTS
111 Broad Street
Suite 206
Wadsworth, Ohio 44281
330/336-1706 Fax 330/334-5118

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
North Central Technical College
2441 Kenwood Circle, PO Box 698
Mansfield, Ohio 44903

We have audited the accompanying balance sheet of North Central Technical College as of and for the year ended June 30, 1999 and the related statements of changes in fund balances and statement of current funds revenues, expenditures and other changes for the year then ended. These financial statements are the responsibility of North Central Technical College's management. Our responsibility is to express an opinion on these 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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Central Technical College, as of June 30, 1999 and the changes in its fund balances and its current funds revenues, expenditures and other changes for the year then ended, in conformity with generally accepted accounting principles.

As more fully described in Note 11 in the Notes to the Financial Statements, the North Central Technical College changed its method of accounting for Internal Revenue Code Section 457 deferred compensation plans for the year ended June 30, 1999, as required by the provisions of GASB Statement No. 32. Also, described in Note 11, the College reclassified Restricted Fund balance as of July 1, 1998.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 1999 on our consideration of the North Central Technical College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

INDEPENDENT AUDITOR'S REPORT (continued)

Our audit was performed for the purpose of forming an opinion on the financial statements of North Central Technical College 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

December 27, 1999

FINANCIAL STATEMENTS

North Central Technical College
 Balance Sheet
 June 30, 1999

ASSETS

Current Funds:

Unrestricted:

Cash and Cash Equivalents	\$2,742,187
Accounts Receivable, Less Allowance of \$54,967	1,517,110
Prepaid Expenses	31,166
Due from Other Funds	<u>366,607</u>

Total Unrestricted 4,657,070

Restricted:

Cash	69,798
Due from Federal and State Governments	<u>360,654</u>

Total Restricted 430,452

Total Current Funds \$5,087,522

Loan Funds:

Cash	\$3,235
Due from Other Funds	<u>992</u>

Total Loan Funds 4,227

Plant Funds:

Unexpended	
Accounts Receivable	<u>5,953</u>

Investment in Plant:

Land, Buildings and Improvements	15,520,453
Equipment	<u>5,379,077</u>

Total Investment in Plant 20,899,530

Total Plant Funds \$20,905,483

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

North Central Technical College
 Balance Sheet
 June 30, 1999

LIABILITIES AND FUND BALANCES

Current Funds:

Unrestricted:

Accounts Payable	\$469,957
Accrued Salaries and Withholdings	292,486
Accrued Compensated Absences	404,536
Deferred Income	1,315,314
Due to Other Funds	992
Fund Balance - Unrestricted	<u>2,173,785</u>

Total Unrestricted 4,657,070

Restricted:

Due to Other Funds	360,654
Fund Balance - Restricted	<u>69,798</u>

Total Restricted 430,452

Total Current Funds \$5,087,522

Loan Fund:

Fund Balance:

Perkins Loans	<u>\$4,227</u>
---------------	----------------

Total Loan Fund 4,227

Plant Funds:

Unexpended

Due to Other Funds	<u>5,953</u>
--------------------	--------------

Investment in Plant:

Notes Payable	476,135
Capital Lease Obligations	298,913
Net Investment in Plant	<u>20,124,482</u>

Total Investment in Plant 20,899,530

Total Plant Funds \$20,905,483

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

North Central Technical College
Statement of Changes in Fund Balances
For the Year Ended June 30, 1999

	Unrestricted	Restricted	
	Educational and General	Educational and General	Total Current Funds
REVENUES AND OTHER ADDITIONS:			
Current Fund Revenues	\$12,892,015	\$0	\$12,892,015
State Appropriations	0	912,517	912,517
State, Federal Grants and Contracts	0	2,670,452	2,670,452
Other Sources - Restricted	0	11,458	11,458
Expended for Plant Facilities	0	0	0
Total Revenues and Other Additions	12,892,015	3,594,427	16,486,442
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	12,399,590	3,583,003	15,982,593
Interest on Indebtedness	0	0	0
Indirect Cost Recovered	0	13,092	13,092
Expended for Plant	0	0	0
Retirement of Indebtedness	0	0	0
Disposal of Plant Facilities	0	0	0
Total Expenditures and Other Deductions	12,399,590	3,596,095	15,995,685
TRANSFERS AMONG FUNDS - ADDITIONS/(DEDUCTIONS):			
Mandatory Transfers			
Debt Service Principal/Interest	(202,866)	0	(202,866)
Net Increase/(Decrease) for the Year	289,559	(1,668)	287,891
Fund Balance at Beginning of Year - Restated	1,884,226	71,466	1,955,692
Fund Balance at End of Year	\$2,173,785	\$69,798	\$2,243,583

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

Loan Funds	Plant Funds		
	Unexpended	Retirement of Indebtedness	Investment In Plant
\$1,432	\$0	\$0	\$0
0	0	0	0
0	0	0	0
0	0	0	0
0	92,916	0	411,340
1,432	92,916	0	411,340
0	0	0	0
0	0	57,259	0
0	0	0	0
0	92,916	0	0
0	0	145,607	0
0	0	0	383,984
0	92,916	202,866	383,984
0	0	202,866	0
1,432	0	0	27,356
2,795	0	0	20,097,126
\$4,227	\$0	\$0	\$20,124,482

North Central Technical College
Statement of Current Funds Revenues, Expenditures
and Other Changes
For the Year Ended June 30, 1999

	Unrestricted Educational and General	Restricted Educational and General	Total Current Funds
REVENUES:			
Tuition, Fees and Other Student Fees	\$5,019,067	\$0	\$5,019,067
State Appropriations	6,846,783	859,398	7,706,181
State, Federal Grants and Contracts	119,499	2,725,239	2,844,738
Sales and Services	539,045	0	539,045
Other Sources	367,621	11,458	379,079
Total Revenues	12,892,015	3,596,095	16,488,110
EXPENDITURES:			
Educational and General:			
Instruction	5,655,004	20,914	5,675,918
Academic Support	854,856	28,768	883,624
Student Services	785,645	40,272	825,917
Institutional Support	2,905,808	35,471	2,941,279
Operation and Maintenance of Plant	1,665,390	0	1,665,390
Student Aid and Scholarships	34,535	2,909,002	2,943,537
Public Service	498,352	548,576	1,046,928
Total Expenditures	12,399,590	3,583,003	15,982,593
MANDATORY TRANSFERS AND OTHER ADDITIONS/(DEDUCTIONS):			
Mandatory Transfers:			
Debt Service Principle/Interest	(202,866)	0	(202,866)
Indirect Cost Recovered	0	(13,092)	(13,092)
Excess of Restricted Receipts Over Transfers to Revenue	0	(1,668)	(1,668)
Total Mandatory Transfers and Other Additions/Deductions	(202,866)	(14,760)	(217,626)
Net Increase/(Decrease) in Fund Balance	\$289,559	(\$1,668)	\$287,891

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

NORTH CENTRAL TECHNICAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Accrual Basis - The financial statements of North Central Technical College (the "College") have been prepared on the accrual basis except that depreciation is not provided on the physical plant and equipment. The Statement of Current Funds Revenues, Expenditures and Other Changes is a statement of financial activity of current funds related to the current reporting period. It does not intend to present the result of operations or the net income or loss for the period as would a statement of income or statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest and equipment renewal and replacement; and (3) transfers of a non-mandatory nature for all other cases.

- B. Fund Accounting - In order to ensure observance of limitations and restrictions placed on the use of the resources available to the College, the accounts of the College are maintained in accordance with the principles of fund accounting and Governmental Accounting and Financial Reporting Standards. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund groups described below.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the governing board. Externally restricted funds may be utilized only in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

All gains and losses arising from the sale, collection or other disposition of investments or other noncash assets are accounted for in the fund which owned such assets. Ordinary income derived from investments, receivables and the like is accounted for in the fund owning such assets.

All other unrestricted revenue is accounted for in the unrestricted current fund. Restricted gifts, grants, appropriations and other restricted resources are accounted for in the appropriate restricted funds. Restricted current funds are reported as revenues and expenditures when expended for current operating purposes.

NORTH CENTRAL TECHNICAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current Funds

This group accounts for all funds which are available for current operations. It is further subdivided into three separately balanced groups: General Funds, which are unrestricted and available for general operating purposes; Auxiliary Enterprise Funds, which are available for the operation of enterprises primarily for service to students and staff and which are intended to be self-supporting; and Restricted Funds, which are available for current operating purposes but only in compliance with restrictions specified by the donors or grantors. Additions to Current Restricted Funds are considered as earned income only to the extent expenditures are made for the restricted purposes specified.

Loan Funds

The loan funds group consists of loans to students and of resources available for such purposes. A significant portion of the fund balance represents money granted from the federal government.

Plant Funds

Plant funds consist of three self-balancing subgroups:

1. Unexpended funds include resources derived from various sources to finance the acquisition of long-life assets.
2. Retirement of indebtedness funds include resources specifically accumulated for payment of principal and interest or indebtedness incurred in connection with the acquisition of properties.
3. Investment in plant includes all long-life assets in the service of the College and construction-in-progress. Physical properties, which include land, buildings and improvements and equipment, are principally stated at cost. In accordance with generally accepted accounting principles for state-assisted colleges and universities, depreciation is not provided. To the extent current funds are used to finance plant assets, the amounts so provided are accounted for as (a) expenditures in the case of normal replacement of long-life assets; (b) mandatory transfers in the case of required provisions for debt amortization and interest; and (c) transfers of a nonmandatory nature for all other cases. When assets are sold or otherwise disposed of, the carrying value of such assets is removed from the accounts, and net investments in plant is reduced accordingly.

- C. Investments - For purposes of the presentation on the Combined Balance Sheet, investments with original maturities of three months or less when purchased are reported as cash equivalents.

During fiscal year 1999, investments were limited to STAR Ohio. These investments are reported as cash equivalents.

NORTH CENTRAL TECHNICAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Investment in Plant - Land and improvements and equipment are stated at cost or fair market value at the date of gift. Depreciation on physical plant and equipment is not recorded.

E. Deferred Income - Deferred income in the current unrestricted fund are principally comprised of receipts relating to tuition and fees in advance of the services to be provided. The College recognizes unrestricted revenue in the year that the services are predominately provided.

F. Compensated Absences

GASB Statement No. 16 specifies that 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 the following conditions are met.

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Other compensated absences with characteristics similar to vacation leave are those which are not contingent on a specific event outside the control of the employer and employee.

Further, sick leave and other similar compensated absences are those which are contingent on a specific event that is outside the control of the employer and employee. The College has accrued a liability for these compensated absences using the termination method when the following criterion is met.

1. The benefits are earned by the employees and it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' retirement ("termination payments").

The sick leave liability has been based on the College's past experience of making termination payments for sick leave.

G. Interfund Amounts - Amounts due to and from the fund groups are considered to be temporary advances.

H. Taxes - The College is exempt from income taxes as a nonprofit organization under Section 501c(3) of the federal income tax laws and regulations of the Internal Revenue Service except for unrelated business income.

I. Use of Estimates - The preparation of 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 disclosure in the footnotes. Actual results could differ from those estimates.

NORTH CENTRAL TECHNICAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

2. CASH AND CASH EQUIVALENTS

A. Policies and Practices

It is the responsibility of the Business and Finance Department to deposit and invest the College's idle funds. The College's practice is to limit investments to U.S. Treasury notes and bills, collateralized certificates of deposit and repurchase agreements, insured and/or collateralized demand deposit accounts or obligations of other U.S. agencies for which the principal and interest is guaranteed by the U.S. Government. The College does not enter into reverse repurchase agreements.

The investment and deposit of College monies is governed by the Ohio Revised Code. Investment of the College's monies is restricted to certificates of deposit, savings accounts, money market accounts and the state treasurer's investment pool (STAR Ohio), obligations of the United States Government or certain agencies thereof and certain industrial revenue bonds issued by other governmental entities. The College may also enter into repurchase agreements with any eligible depository for a period not exceeding thirty days. Public depositories must give security for all public funds on deposit. These institutions may specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. State law does not require security for the public deposits and investments to be maintained in the College's name.

B. Deposits

At June 30, 1999, the reported amount of the College's deposits was \$394,651 and the bank balance was \$737,869. Of the bank balance, \$119,657 was covered by federal depository insurance and \$618,212 was uninsured and uncollateralized as defined by the Governmental Accounting Standards Board because the collateral pledged by the financial institution or their trust departments or agents is not in the College's name due to the fact that the pledging bank has an investment and security pool used to collateralize all public deposits. This method of collateralization is expressly authorized by state statute.

C. Investments

The College has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the fiscal year ended June 30, 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio 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 STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 1999. At June 30, 1999, the fair value of STAR Ohio was \$2,420,569. Investments in STAR Ohio are not categorized since they are not evidenced by securities that exist in physical or book entry form.

NORTH CENTRAL TECHNICAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

3. STATE SUPPORT

North Central Technical College is a state-assisted institution of higher education which receives a student-based subsidy from the state of Ohio. The subsidy is determined annually based upon a formula devised by the Ohio Board of Regents, adjusted to state resources available.

In addition to the student subsidies, the state of Ohio provides the funding for and constructs major plant facilities on the College's campus. The funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission, which in turn causes the construction and subsequent lease of the facility by the Ohio Board of Regents. Upon completion of the facility, the Board of Regents turns over control to the College. Construction in progress for any portion of the facilities being financed by the state agencies for use by the College is recorded on the College's book of account as costs are incurred.

The facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund established in the custody of the Treasurer of State. If sufficient monies are not available from this fund, a pledge exists to assess a special student fee uniformly applicable to students in state-assisted institutions of higher education throughout the state.

Outstanding debt issued by the Ohio Public Facilities Commission is not included on the College's balance sheet. In addition, the appropriations by the Ohio General Assembly to the Board of Regents for payment of debt services are not shown as appropriation revenue received by the College, and the related debt service payments are not recorded on the College's financial statements.

4. DEFINED BENEFIT PENSION PLANS

All employees of North Central Technical College are eligible to participate in one of two cost-sharing, multiple employer pension plans administered by the State. Academic personnel participate in the State Teachers Retirement System (STRS) and nonacademic personnel participate in the School Employees Retirement System (SERS).

A. State Teachers Retirement System

The College participates in 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 43215-3771.

NORTH CENTRAL TECHNICAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

4. DEFINED BENEFIT PENSION PLANS (continued)

Plan members are required to contribute 9.3 percent of their annual covered salary and the College is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Prior to July 1, 1998, the portion used to fund pension obligations was 10.5 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 College's contributions to STRS for the fiscal years ended June 30, 1999, 1998 and 1997 were \$621,556, \$640,813 and \$694,651, respectively, equal to the required contribution for each year.

B. School Employees Retirement System

The College 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.

Plan members are required to contribute 9 percent of their annual covered salary and the College is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1999, 9.02 percent was the portion 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 College's contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998 and 1997 were \$389,181, \$372,865 and \$362,458, respectively, equal to the required contributions for each year.

5. POSTEMPLOYMENT BENEFITS

The College 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 obligation 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.

NORTH CENTRAL TECHNICAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

5. POSTEMPLOYMENT BENEFITS (continued)

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. Through June 30, 1998, this allocation was increased to 3.5 percent. Beginning July 1, 1998, this allocation was increased to 8 percent. For the College, this amount equaled \$155,388 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 (latest information available). 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 this fiscal year, employer contributions to fund health care benefits were 4.21 percent of covered payroll, an increase from 3.5 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, pro-rated 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 percent of annual health care expenses. Expenses for health care at June 30, 1998 (latest information available), 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 College, the amount to fund health care benefits, including the surcharge, equaled \$117,032 during the 1999 fiscal year.

6. DEBT PAYABLE

Debt payable at June 30, 1999 consisted of the following:

Bond Payable

Refunding revenue bond, Series 1995; principal and interest payable in annual installments of \$53,405; bearing interest at 7.0%; final payment due June 1, 2015.

The College has pledged certain future revenue as collateral for the refunding revenue bond.

NORTH CENTRAL TECHNICAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

6. DEBT PAYABLE (continued)

Maturity of outstanding debt, excluding interest payments of \$296,590, is as follows:

	<u>Bond</u>
2000	\$ 20,076
2001	21,481
2002	22,985
2003	24,594
2004	26,315
Thereafter	350,684
Total	<u>\$476,135</u>

7. LEASES

The College utilizes office equipment under capitalized leases. These capital leases are due in monthly installments and had initial terms ranging from 36 to 60 months.

In January, 1997, the College entered into a capital lease agreement for the construction of a new building. The lease requires monthly principal and interest payments of \$5,272 through 2004.

Minimum lease payments under all capital leases of each year ending June 30 are as follows:

2000	\$ 63,261
2001	63,261
2002	63,261
2003	63,261
2004	63,261
Thereafter	31,631
Total	347,936
Less amount representing interest	<u>49,023</u>
Net capital lease obligations	<u>\$298,913</u>

The College leases certain equipment accounted for as operating leases. Future minimum annual rental payments required under these operating leases ending June 30 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 47,754	\$ 15,507	\$ 63,261
2001	50,494	12,767	63,261
2002	53,392	9,869	63,261
2003	56,456	6,805	63,261
2004	59,696	3,565	63,261
Thereafter	<u>31,121</u>	<u>510</u>	<u>31,631</u>
Total	<u>\$298,913</u>	<u>\$ 49,023</u>	<u>\$347,936</u>

NORTH CENTRAL TECHNICAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

8. CONTINGENCIES

Federal and State Grants

The College participates in certain state and federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. In the opinion of the College, no material grant disbursements will be disallowed.

Litigation

The College is party to various legal proceedings. The College is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the College.

9. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft; damage to or destruction of assets, errors and omissions; employee injuries; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the College has addressed these various types of risk.

10. RELATED ORGANIZATIONS

The North Central Technical College Foundation (the Foundation) is a not-for-profit organization which operates under a separate board exclusively for the benefit of the College and is therefore not included in the College's June 30, 1999 financial statements. At June 30, 1999, the total net assets of the Foundation, not included in the financial statements of the College, were \$1,805,204.

11. CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENTS

For 1999, the College has implemented GASB Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" for its deferred compensation plan through the Ohio Public Employees Deferred Compensation Program. On September 1, 1998, Ohio Public Employees Deferred Compensation Program created a trust for the assets of the plan for which the College has no fiduciary responsibility. Therefore, the balance of \$558,096 has been removed from the deferred compensation agency fund and is no longer presented as part of the College's financial statements.

The College has also reclassified restricted assets causing an increase in beginning fund balance in the restricted account of \$71,466.

12. YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data-processing systems and other equipment that may adversely affect the College's operations in fiscal 2000.

The College has conducted an inventory of computer systems and other equipment necessary to conducting College operations. The College has identified the following systems requiring Year 2000 remediation:

NORTH CENTRAL TECHNICAL COLLEGE

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

12. YEAR 2000 ISSUE (continued)

A. Financial Reporting, Payroll and Employee Benefits Systems

The College has completed the validation of these systems.

B. Financial Aid and Student Accounts Receivable Systems

The College has completed the validation of these systems.

C. Students Records System

The College was in validation stage of this system at June 30, 1999. As of October 1, 1999 the College had completed validation of this system.

D. Grant Reporting Systems

The State of Ohio and the United States Department of Education distributes a substantial sum of money to the College in the form of Federal and State grant payments. Further, the State processes significant amounts of financial and non-financial information about the College through ATI. The United States Department of Education uses the GAPS system for reporting and funding purposes. Both the State and the United States Department of Education are responsible for remediating these systems.

E. Hardware and Software Systems

The College was in the validation stage of these systems at June 30, 1999. As of October 1, 1999 the College had completed validation of these systems.

F. Energy Management System

The College participates in a shared service agreement with Ohio State University (OSU) - Mansfield Branch. OSU is responsible for assuring that this system is Year 2000 compliant.

G. Deposits and Investments

At June 30, 1999, the College had deposits and investments with Richland Bank, Banc One Services Corporation, Firststar Bank Milwaukee and STAR Ohio. These institutions have an extensive role in the College's ability to collect revenue and make payments. These institutions are responsible for remediating each of their 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 College is or will be Year 2000 ready, that the College's remediation efforts will be successful in whole or in part, or that parties with whom the College does business will be Year 2000 ready.

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North Central Technical College
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1999

Federal Grantor/ Pass Through Grantor Program Title	CFDA #	Pass Through Entity Number	Disbursements	Receipts
United States Department of Education				
<i>Federal Financial Assistance Cluster:</i>				
Supplemental Educational Opportunity Grant	84.007	---	\$81,220	\$82,442
Federal Family Education Loan Program	84.032	---	3,881,344	3,881,344
College Work Study	84.033	---	102,294	45,560
Pell Grant	84.063	---	1,885,686	1,914,048
Total Federal Student Financial Assistance Cluster			<u>5,950,544</u>	<u>5,923,394</u>
<i>Passed Through the Ohio Department of Education:</i>				
Vocational Education - Perkins Basic Grant 97-98	84.048	20-C2 98	47,830	47,830
Vocational Education - Perkins Basic Grant 98-99	84.048	20-C2 99	25,769	25,769
Vocational Education - Promoting Access in Technical Education Grant	84.048	20-A5 99	15,006	12,750
Vocational Education - Tech Prep Consortia Equity Leadership Grant	84.048	20-A5 99	31,746	30,060
Total Vocational Education Grants			<u>120,351</u>	<u>116,409</u>
Tech Prep Education	84.243	VETP-98-06B	0	28,860
Tech Prep Education	84.243	VETP-98-06PDa	0	1,350
Tech Prep Education	84.243	VETP-98-06J	0	6,515
Tech Prep Education	84.243	VETP-99-06R	835	45,119
Tech Prep Education	84.243	VETP-99-06B	70,711	0
Tech Prep Education	84.243	VETP-99-06K	99,556	38,468
Tech Prep Education	84.243	VETP-99-06MKT	28,110	25,798
Total Tech Prep Education			<u>199,212</u>	<u>146,110</u>
Total United States Department of Education			<u>6,270,107</u>	<u>6,185,913</u>
United States Department of Labor				
<i>Passed Through the Ohio Department of Education:</i>				
Employment Services and Job Training - School To Work Region 6	17.249	DOE-DOD-10	19,023	0
Employment Services and Job Training - School To Work Continuation Grant	17.249	98-60007	5,350	44,074
Total Employment Services and Job Training			<u>24,373</u>	<u>44,074</u>
National Science Foundation				
Computer and Information Science and Engineering	47.070	---	14,463	14,463
United States Department of Health and Human Services				
<i>Passed through Administration for Children and Families</i>				
Head Start	93.600	05YC0061	156,846	0
<i>Passed through Columbus State College</i>				
Job Opportunities and Basic Skills Training - Passages	93.561	---	5,478	16,558
Total United States Department of Health and Human Services			<u>162,324</u>	<u>16,558</u>
Department of Agriculture				
<i>Passed Through the Ohio Department of Education:</i>				
Child Care Food Program	10.558	16-CC 98	1,032	1,032
Child Care Food Program	10.558	16-CC 99	1,143	1,143
Child Care Food Program	10.558	21-ML 98	9,918	9,918
Child Care Food Program	10.558	21-ML 99	10,979	10,979
Total Child Care Food Program			<u>23,072</u>	<u>23,072</u>
Total Federal Assistance			<u>\$6,494,339</u>	<u>\$6,284,080</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of North Central Technical College's federal awards programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - LOAN PROGRAM

The gross outstanding Perkins Loan balance was \$30,369 as of June 30, 1999.

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

Board of Trustees
North Central Technical College
2441 Kenwood Circle, PO Box 698
Mansfield, Ohio 44903

We have audited the financial statements of North Central Technical College, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 27, 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 North Central Technical College'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 North Central Technical College'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect North Central Technical College's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as Item 99-1. We also noted other matters involving the internal control over financial reporting that we have reported to management of North Central Technical College in a separate letter dated December 27, 1999.

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

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

This report is intended for the information of 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.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

December 27, 1999

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

Board of Trustees
North Central Technical College
2441 Kenwood Circle, PO Box 698
Mansfield, Ohio 44903

Compliance

We have audited the compliance of North Central 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 its major federal program cluster for the year ended June 30, 1999. North Central Technical College's major federal program cluster is 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 North Central Technical College's management. Our responsibility is to express an opinion on North Central Technical College'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 North Central 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 North Central Technical College's compliance with those requirements.

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

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

Internal Control Over Compliance

The management of North Central 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 North Central 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 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of 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.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

December 27, 1999

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 ¶505

NORTH CENTRAL TECHNICAL COLLEGE
JUNE 30, 1999

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?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level?	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 reportable internal control weakness conditions 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 ¶510?	No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §505
(CONTINUED)

(d)(1)(vii)	Major Programs:	<i>Student Financial Assistance Cluster: College Work Study, CFDA #84.033; Supplemental Educational Opportunity Grants, CFDA #84.007; Pell Grant, CFDA #84.063; Federal Family Education Loan Program, CFDA #84.032</i>
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

The below listed reportable conditions were identified in the 1998 Audit. We did not notice any improvement in this area and are reissuing this reportable condition.

99-1 Reconciliation Controls

Condition:

Reconciliations, along with independent reviews, are a critical internal accounting control. The purpose of reconciliations is threefold: to provide evidence for differences between subsidiary ledgers and general ledger balances; to evidence that an examination of the accounts has been performed on a periodic basis throughout the year; and to communicate reconciling items to management. The reconciliation of independent subsidiary ledgers or third-party information, such as the interfund accounts to the general ledger, with the appropriate investigation and resolution of all significant differences on a periodic and timely basis, is not consistently completed by the College. Certain receivable reconciliations are prepared on-line without any "paper trail" to document preparation and review. All reconciliations should be reviewed by an individual independent of the preparer.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 ¶505
(CONTINUED)

Recommendation:

To assist in the implementation of this recommendation, a pre-printed form should be developed and utilized for all reconciliations which require the balance per the independent subsidiary ledger or third-party information; the balance per the general ledger; a summary of reconciling items, including a descriptive explanation of the reconciling item; the resolution of significant reconciling items; and signatures of the preparer and reviewer. A monthly control sheet listing all general ledger accounts to be reconciled should be prepared with the reviewer's initials and review date of the reconciliations to facilitate the completeness of the reconciliations.

Management's Response:

Management acknowledges the importance of reconciling subsidiary ledgers to the general ledger. North Central Technical College has several subsidiary ledgers that should balance on a monthly basis to the general ledger, they include fixed assets (kept on a separate software package), student accounts (the COCO system) and grant activity (Excel spreadsheets).

As of June 30, 1999:

- *The fixed assets ledger has been fully reconciled to the general ledger.
- *The student accounts ledger (system) has been balanced to the general ledger.
- *The grant activity for the year has been balanced to the general ledger.

In discussing this finding with Gary B. Fink & Associates, Inc. I was told that the reconciliations for the Fiscal Year 1999 audit had been done to their satisfaction, but because they were done only at year-end and not on a monthly basis, they felt that the finding would have to be included in the Fiscal Year 1999 audit report.

These reconciliations will be completed periodically (monthly) throughout the current fiscal year and I feel confident that this finding will be removed from the Fiscal Year 2000 audit report.

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §15(b)

NORTH CENTRAL TECHNICAL COLLEGE
JUNE 30, 1999

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid
98-1	Reconciliation of subsidiary ledgers and/or third party information to the general ledger	No	Not Corrected

**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS**

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

RETURN TO

Single Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132

PART I GENERAL INFORMATION (To be completed by auditee, except for Item 7)

1. Fiscal year ending date for this submission mm/dd/yy 6/30/99		2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit	
3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 3 <input type="checkbox"/> Other - Months 2 <input type="checkbox"/> Biennial		FEDERAL GOVERNMENT USE ONLY	4. Date received by Federal clearinghouse
5. Employer Identification Number (EIN) a. Auditee EIN 34-1038108 b. Are multiple EINs covered in this report? 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			
6. AUDITEE INFORMATION		7. AUDITOR INFORMATION (To be completed by auditor)	
a. Auditee name NORTH CENTRAL TECHNICAL COLLEGE		a. Auditor name GARY B. FINK & ASSOCIATES, INC.	
b. Auditee address (Number and street) Street 2441 KENWOOD CIRCLE BOX 698 City MANSFIELD State OHIO ZIP Code 44903		b. Auditor address (Number and street) Street 111 BROAD STREET, SUITE 206 City WADSWORTH State OHIO ZIP Code 44281	
c. Auditee contact Name MARK MALLORY Title CONTROLLER		c. Auditor contact Name SCOTT K. VARNEY Title MANAGER	
d. Auditee contact telephone 419-755-4800		d. Auditor contact telephone 330-336-1706	
e. Auditee contact FAX (Optional) 419-755-4780		e. Auditor contact FAX (Optional) 330-334-5118	
f. Auditee contact E-mail (Optional)		f. Auditor contact E-mail (Optional) GBFINC@AOL.COM	

<p>g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has:</p> <p>(1) Engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in Parts I, II, and III of this data collection form is accurate and complete. I declare that the foregoing is true and correct.</p>	<p>g. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 5 and 6, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.</p>
<p><i>Mark Malloy</i> 12/29/99 Signature of certifying official Date Month Day Year</p>	<p><i>Scott V...</i> 12/29/99 Signature of auditor Date Month Day Year</p>
<p><i>Controller Mark Malloy</i> Name/Title of certifying official</p>	<p><i>Scott V...</i> Signature of auditor</p>

PART I GENERAL INFORMATION - Continued

8. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (X) one box)

1 Cognizant agency 2 Oversight agency

9. Name of Federal cognizant or oversight agency for audit. (Mark (X) one box)

01 <input type="checkbox"/> African Development Foundation 02 <input type="checkbox"/> Agency for International Development 10 <input type="checkbox"/> Agriculture 11 <input type="checkbox"/> Commerce 94 <input type="checkbox"/> Corporation for National and Community Service 12 <input type="checkbox"/> Defense 84 <input checked="" type="checkbox"/> Education 81 <input type="checkbox"/> Energy 66 <input type="checkbox"/> Environmental Protection Agency	83 <input type="checkbox"/> Federal Emergency Management Agency 34 <input type="checkbox"/> Federal Mediation and Conciliation Service 39 <input type="checkbox"/> General Services Administration 93 <input type="checkbox"/> Health and Human Services 14 <input type="checkbox"/> Housing and Urban Development 03 <input type="checkbox"/> Institute for Museum Services 04 <input type="checkbox"/> Inter-American Foundation 15 <input type="checkbox"/> Interior	16 <input type="checkbox"/> Justice 17 <input type="checkbox"/> Labor 43 <input type="checkbox"/> National Aeronautics and Space Administration 89 <input type="checkbox"/> National Archives and Records Administration 05 <input type="checkbox"/> National Endowment for the Arts 06 <input type="checkbox"/> National Endowment for the Humanities 47 <input type="checkbox"/> National Science Foundation 07 <input type="checkbox"/> Office of National Drug Control Policy	08 <input type="checkbox"/> Peace Corps 59 <input type="checkbox"/> Small Business Administration 96 <input type="checkbox"/> Social Security Administration 19 <input type="checkbox"/> State 20 <input type="checkbox"/> Transportation 21 <input type="checkbox"/> Treasury 82 <input type="checkbox"/> United States Information Agency 84 <input type="checkbox"/> Veterans Affairs <input type="checkbox"/> Other - Specify:
---	--	--	--

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report (Mark (X) one box)

1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No

3. Is a reportable condition disclosed? 1 Yes 2 No -SKIP to Item 5

4. Is any reportable condition reported as a material weakness? 1 Yes 2 No

5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III		FEDERAL PROGRAMS (To be completed by auditor)	
1. Type of audit report on major program compliance 1 <input checked="" type="checkbox"/> Unqualified opinion 2 <input type="checkbox"/> Qualified opinion 3 <input type="checkbox"/> Adverse opinion 4 <input type="checkbox"/> Disclaimer of opinion			
2. What is the dollar threshold to distinguish Type A and Type B programs §_.520(b)? \$300,000			
3. Did the auditee qualify as a low-risk auditee (§_.530)? 1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No			
4. Are there any audit findings required to be reported under §_.510(a)? 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			
5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)			
01 <input type="checkbox"/> African Development Foundation 02 <input type="checkbox"/> Agency for International Development 10 <input type="checkbox"/> Agriculture 11 <input type="checkbox"/> Commerce 94 <input type="checkbox"/> Corporation for National and Community Service 12 <input type="checkbox"/> Defense 84 <input type="checkbox"/> Education 81 <input type="checkbox"/> Energy 66 <input type="checkbox"/> Environmental Protection Agency	83 <input type="checkbox"/> Federal Emergency Management Agency 34 <input type="checkbox"/> Federal Mediation and Conciliation Service 39 <input type="checkbox"/> General Services Administration 93 <input type="checkbox"/> Health and Human Services 14 <input type="checkbox"/> Housing and Urban Development 03 <input type="checkbox"/> Institute for Museum Services 04 <input type="checkbox"/> Inter-American Foundation 15 <input type="checkbox"/> Interior	16 <input type="checkbox"/> Justice 17 <input type="checkbox"/> Labor 43 <input type="checkbox"/> National Aeronautics and Space Administration 89 <input type="checkbox"/> National Archives and Records Administration 05 <input type="checkbox"/> National Endowment for the Arts 06 <input type="checkbox"/> National Endowment for the Humanities 47 <input type="checkbox"/> National Science Foundation 07 <input type="checkbox"/> Office of National Drug Control Policy	08 <input type="checkbox"/> Peace Corps 59 <input type="checkbox"/> Small Business Administration 96 <input type="checkbox"/> Social Security Administration 19 <input type="checkbox"/> State 20 <input type="checkbox"/> Transportation 21 <input type="checkbox"/> Treasury 82 <input type="checkbox"/> United States Information Agency 64 <input type="checkbox"/> Veterans Affairs 00 <input checked="" type="checkbox"/> None <input type="checkbox"/> Other - Specify:

PART III FEDERAL PROGRAMS - Continued

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

7. AUDIT FINDINGS AND QUESTIONED COSTS

CFDA number ¹ (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)	Type of compliance requirement ² (b)	Amount of questioned costs (c)	Internal control findings ³ (d)	Audit finding reference number(s) (e)
84.007	SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT	\$81,220	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.032	FEDERAL FAMILY EDUCATION LOAN PROGRAM	\$3,881,344	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.033	COLLEGE WORK STUDY	\$102,294	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.063	PELL GRANT	\$1,885,686	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.048	VOCATIONAL EDUCATION	\$120,351	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
84.243	TECH PREP EDUCATION	\$199,212	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
17.249	EMPLOYMENT SERVICES AND JOB TRAINING	\$24,373	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
47.070	COMPUTER AND INFORMATION SCIENCE AND ENGINEERING	\$14,463	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
93.600	HEAD START	\$156,846	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
93.561	JOB OPPORTUNITIES AND BASIC SKILLS TRAINING	\$5,478	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
TOTAL FEDERAL AWARDS EXPENDED		\$SEE NEXT PAGE					

IF ADDITIONAL LINES ARE NEEDED, PLEASE REFER TO THE INSTRUCTIONS FOR OMB CIRCULAR A-133 WORD PROCESSING TEMPLATE

PART III FEDERAL PROGRAMS - *Continued*

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

7. AUDIT FINDINGS AND QUESTIONED COSTS

CFDA number ¹ (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)	Type of compliance requirement ² (b)	Amount of questioned costs (c)	Internal control findings ³ (d)	Audit finding reference number(s) (e)
10.558	CHILD CARE FOOD PROGRAM	\$23,072	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
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		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
TOTAL FEDERAL AWARDS EXPENDED		\$6,494,339					

IF ADDITIONAL LINES ARE NEEDED, PLEASE REFER TO THE INSTRUCTIONS FOR OMB CIRCULAR A-133 WORD PROCESSING TEMPLATE

¹ Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.

² Type of compliance requirement (Enter the letter(s) of all that apply to audit findings and questioned costs reported for each Federal program.)

- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis - Bacon Act
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of funds
- I. Procurement
- J. Program income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None

³ Type of internal control findings (Mark (X) all that apply)

- A. Material weaknesses
- B. Reportable conditions
- C. None reported



STATE OF OHIO
OFFICE OF THE AUDITOR

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NORTH CENTRAL TECHNICAL COLLEGE
RICHLAND 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

Date: JAN 20 2000