



NORTH COLLEGE HILL CITY SCHOOL DISTRICT

HAMILTON COUNTY

SINGLE AUDIT

For the Fiscal Year Ended June 30, 2001

J. L. UHRIG & ASSOCIATES, INC.

CERTIFIED PUBLIC ACCOUNTANTS

**78 North Plaza Blvd.
Chillicothe, Ohio 45601**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Education
North College Hill City School District
1498 W. Galbraith Road
Cincinnati, Ohio 45231-5597

We have reviewed the Independent Auditor's Report of the North College Hill City School District, Hamilton County, prepared by J. L. Uhrig & Associates, Inc., for the audit period July 1, 2000 to June 30, 2001. 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.

JIM PETRO
Auditor of State

February 5, 2002

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NORTH COLLEGE HILL CITY SCHOOL DISTRICT

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NORTH COLLEGE HILL CITY SCHOOL DISTRICT - HAMILTON COUNTY

ELECTED OFFICIALS

June 30, 2001

<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	1/1/00 - 12/31/03
Barbara Graves	Member	1/1/00 - 12/31/03

Surety:	Nationwide Insurance Company
Amount:	\$20,000
Period:	1/1/2000 - 1/1/2003
Salary:	\$80 per meeting

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, 2001

Superintendent:

Name:	Gary Gellert
Contract Period:	2/1/00 - 7/31/03
Surety:	Nationwide Insurance Company
Amount:	\$20,000
Period Covered:	1/1/00 - 1/1/2003
Salary:	\$87,550

Assistant Superintendent:

Name:	Kay Faris
Contract Period:	8/1/00 - 7/31/03
Surety:	Nationwide Insurance Company
Amount:	\$20,000
Period Covered:	1/1/00 - 1/1/2003
Salary:	\$80,097

Treasurer:

Name:	Tammy Emrick
Contract Period:	1/1/98 - 12/31/01
Surety:	Wausau Insurance Company
Amount:	\$50,000
Period Covered:	1/1/98 - 1/1/2002
Salary:	\$65,000

NORTH COLLEGE HILL CITY SCHOOL DISTRICT - HAMILTON COUNTY

INDEX OF FUNDS

June 30, 2001

GOVERNMENTAL FUND TYPES:

General Fund

Special Revenue Funds:

Public School Support Fund
Local Grant Fund
Kattelman Scholarship Fund
Venture Capital Grant Fund
Termination Benefits Fund
District Activity 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
Data Communication Fund
SchoolNet Professional Development Fund
Textbook Subsidy Fund
Ohio Reads Grant Fund
Summer School Intervention Fund
Alternative Education Grant Fund
Phonics Demonstration Grant Fund
Eisenhower 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
Class Size Reduction Grant Fund
Goals 2000 Proficiency Intervention Fund

Debt Service Fund:

Bond Retirement Fund

Capital Projects Funds:

Permanent Improvement Fund
Classroom Facilities Fund
SchoolNet Fund

NORTH COLLEGE HILL CITY SCHOOL DISTRICT - HAMILTON COUNTY

INDEX OF FUNDS

June 30, 2001

PROPRIETARY FUND TYPE:

Enterprise Funds:

Food Service Fund

Uniform School Supplies Fund

FIDUCIARY FUND TYPES:

Trust and Agency Funds:

Expendable Trust Fund:

Special Trust Fund

Agency Fund:

Student Activity Fund

J. L. UHRIG & ASSOCIATES, INC.

Certified Public Accountants

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Chillicothe, OH 45601
(740) 775-8448
Fax: (740) 775-8442

Independent Auditor's Report

Board of Education
North College Hill City School District
1498 W. Galbraith Road
Cincinnati, Ohio 45231-5597

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, 2001. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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, 2001, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 12, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report when considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the District, taken as a whole. The accompanying schedule of federal awards expenditures required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* is presented for purposes of additional analysis 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

J. L. Uhrig & Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.
Certified Public Accountants

December 12, 2001

NORTH COLLEGE HILL CITY SCHOOLS
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2001

	GOVERNMENTAL FUND TYPES			
	General Fund	Special Revenue	Debt Service	Capital Projects
<u>ASSETS AND OTHER DEBITS:</u>				
Assets:				
Equity in pooled cash and investments	\$2,901,541	\$543,298	\$16,187	\$302,241
Receivables (net of allowances for uncollectibles)				
Taxes - current	3,281,055	0	0	382,733
Taxes - delinquent	568,044	0	0	66,229
Accounts	1,258	154	0	0
Accrued interest	70,077	0	0	0
Intergovernmental - state and local	501,452	2,980	0	50,000
Materials and supplies inventory	14,807	0	0	0
Interfund receivables	0	144	0	266,880
Restricted Assets:				
Equity in pooled cash and investments	598,213	0	0	0
Property, plant and equipment (net of accumulated depreciation, where applicable)	0	0	0	0
Other debits:				
Amount available for debt service	0	0	0	0
Amount to be provided for retirement of General Long-term Obligations	0	0	0	0
Total assets and other debits	<u>\$7,936,447</u>	<u>\$546,576</u>	<u>\$16,187</u>	<u>\$1,068,083</u>
<u>LIABILITIES, EQUITY AND OTHER CREDITS:</u>				
Liabilities:				
Accounts payable	\$46,410	\$16,312	\$0	\$2,149
Accrued wages and benefits	809,882	76,358	0	0
Due to other governments	13,496	780	0	0
Interfund payables	266,324	0	0	0
Deferred revenue	3,511,064	0	0	407,158
Due to students and other groups	0	0	0	0
Compensated absences payable	0	0	0	0
Obligation under capital leases	0	0	0	0
Total liabilities	<u>4,647,176</u>	<u>93,450</u>	<u>0</u>	<u>409,307</u>
Fund equity and other credits:				
Investment in general fixed assets	0	0	0	0
Retained earnings: unreserved	0	0	0	0
Fund equity:				
Reserved-				
Reserved for supplies inventory	14,807	0	0	0
Reserved for encumbrances	211,209	124,039	0	240,045
Reserved for debt service	0	0	16,187	0
Reserved for property taxes	777,035	0	0	91,804
Reserved for instructional material	182,768	0	0	0
Reserved for capital improvements	46,569	0	0	0
Unreserved - Designated for budget stabilization	368,876	0	0	0
Unreserved - Undesignated	1,688,007	329,087	0	326,927
Total equity and other credits	<u>3,289,271</u>	<u>453,126</u>	<u>16,187</u>	<u>658,776</u>
	<u>\$7,936,447</u>	<u>\$546,576</u>	<u>\$16,187</u>	<u>\$1,068,083</u>

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

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$271,797	\$48,629	\$0	\$0	\$4,083,693
0	0	0	0	3,663,788
0	0	0	0	634,273
514	0	0	0	1,926
0	0	0	0	70,077
0	0	0	0	554,432
5,993	0	0	0	20,800
0	0	0	0	267,024
0	0	0	0	598,213
54,115	0	6,758,346	0	6,812,461
0	0	0	16,187	16,187
0	0	0	717,384	717,384
<u>\$332,419</u>	<u>\$48,629</u>	<u>\$6,758,346</u>	<u>\$733,571</u>	<u>\$17,440,258</u>
\$1,895	\$0	\$0	\$0	\$66,766
12,094	0	0	0	898,334
0	0	0	0	14,276
0	700	0	0	267,024
4,795	0	0	0	3,923,017
0	32,975	0	0	32,975
0	0	0	631,243	631,243
0	0	0	102,328	102,328
<u>18,784</u>	<u>33,675</u>	<u>0</u>	<u>733,571</u>	<u>5,935,963</u>
0	0	6,758,346	0	6,758,346
313,635	0	0	0	313,635
0	0	0	0	14,807
0	0	0	0	575,293
0	0	0	0	16,187
0	0	0	0	868,839
0	0	0	0	182,768
0	0	0	0	46,569
0	0	0	0	368,876
0	14,954	0	0	2,358,975
<u>313,635</u>	<u>14,954</u>	<u>6,758,346</u>	<u>0</u>	<u>11,504,295</u>
<u>\$332,419</u>	<u>\$48,629</u>	<u>\$6,758,346</u>	<u>\$733,571</u>	<u>\$17,440,258</u>

NORTH COLLEGE HILL CITY SCHOOLS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 2001

	GOVERNMENTAL FUND TYPES			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
<u>Revenues:</u>				
From local sources:				
Taxes	\$3,257,204	\$0	\$0	\$368,635
Tuition	143,564	0	0	0
Earnings on investments	287,216	1,265	0	8,192
Other local revenues	83,600	96,986	0	7,365
Intergovernmental - federal, state and local	5,392,371	954,462	0	266,456
Total revenues	9,163,955	1,052,713	0	650,648
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	3,972,045	274,410	0	79,705
Special	875,707	231,878	0	0
Vocational	110,825	0	0	0
Other.	86,442	0	0	0
Support services:				
Pupil	615,503	179,008	0	0
Instructional staff	445,786	99,614	0	0
General administration	37,666	0	0	0
School administration	840,281	1,699	0	0
Fiscal	264,085	0	0	5,257
Operations and maintenance	825,482	0	0	6,150
Pupil transportation	139,408	0	0	0
Central	286	11,176	0	0
Community services	7,095	186,108	0	0
Extracurricular activities	191,722	62,682	0	0
Capital outlay	219,164	0	0	308,471
Debt service:				
Principal retirement	18,423	0	0	0
Interest and fiscal charges	4,059	0	0	0
Total expenditures	8,653,979	1,046,575	0	399,583
Excess (deficiency) of revenues over (under) expenditures	509,976	6,138	0	251,065
<u>Other financing sources (uses):</u>				
Operating transfers in	209,835	120,220	0	0
Operating transfers (out)	(309,835)	(220)	0	0
Proceeds from inception of capital lease	117,927	0	0	0
Proceeds of sale of fixed assets	2,368	0	0	0
Total other financing sources (uses)	20,295	120,000	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	530,271	126,138	0	251,065
Fund balance beginning of year	2,759,000	326,988	16,187	407,711
Fund balance end of year	\$3,289,271	\$453,126	\$16,187	\$658,776

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

FIDUCIARY FUND TYPE	Totals (Memorandum Only)
Expendable Trust Fund	
\$0	\$3,625,839
0	143,564
791	297,464
15,500	203,451
0	6,613,289
16,291	10,883,607
0	4,326,160
0	1,107,585
0	110,825
0	86,442
0	794,511
0	545,400
0	37,666
0	841,980
0	269,342
0	831,632
0	139,408
0	11,462
5,009	198,212
0	254,404
0	527,635
0	18,423
0	4,059
5,009	10,105,146
11,282	778,461
0	330,055
(20,000)	(330,055)
0	117,927
0	2,368
(20,000)	120,295
(8,718)	898,756
23,672	3,533,558
\$14,954	\$4,432,314

NORTH COLLEGE HILL CITY SCHOOLS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2001

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>						
From local sources:						
Taxes	\$3,376,351	\$3,376,351	\$0	\$0	\$0	\$0
Tuition	152,700	149,955	(2,745)	0	0	0
Earnings on investments	245,000	266,518	21,518	1,398	1,265	(133)
Other local revenues	49,700	57,011	7,311	59,475	66,563	7,088
Intergovernmental - federal, state, and local	5,213,646	5,393,221	179,575	955,646	951,480	(4,166)
Total revenues	9,037,397	9,243,056	205,659	1,016,519	1,019,308	2,789
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	4,420,291	4,091,926	328,365	457,778	302,278	155,500
Special	945,961	935,091	10,870	315,903	238,876	77,027
Vocational	108,624	106,522	2,102	0	0	0
Other	73,000	72,946	54	0	0	0
Support services:						
Pupil	659,465	618,387	41,078	202,996	183,176	19,820
Instructional staff	507,503	469,733	37,770	165,036	143,081	21,955
General administration	47,325	38,975	8,350	0	0	0
School administration	911,484	881,473	30,011	2,019	1,741	278
Fiscal	267,106	257,580	9,526	0	0	0
Business	11,502	9,346	2,156	0	0	0
Operations and maintenance	980,533	844,121	136,412	0	0	0
Pupil transportation	173,675	147,298	26,377	0	0	0
Central	300	286	14	11,694	11,073	621
Community services	8,000	7,095	905	197,937	191,677	6,260
Extracurricular activities	207,069	199,411	7,658	80,222	76,739	3,483
Capital outlay	187,589	105,125	82,464	0	0	0
Total expenditures	9,509,427	8,785,315	724,112	1,433,585	1,148,641	284,944
Excess (deficiency) of revenues over (under) expenditures	(472,030)	457,741	929,771	(417,066)	(129,333)	287,733
<u>Other financing sources (uses):</u>						
Refund of prior year expenditures	27,000	26,845	(155)	30,600	30,565	(35)
Operating transfers in	209,835	209,835	0	120,000	120,220	220
Operating transfers (out)	(309,880)	(309,835)	45	(220)	(220)	0
Advances in	267,030	267,024	(6)	0	0	0
Advances out	(20,000)	(700)	19,300	(144)	(144)	0
Proceeds of sale of fixed assets	2,000	2,071	71	0	0	0
Total other financing sources (uses)	175,985	195,240	19,255	150,236	150,421	185
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(296,045)	652,981	949,026	(266,830)	21,088	287,918
Fund balance beginning of year	2,225,065	2,225,065	0	378,598	378,598	0
Prior year encumbrances appropriated	272,475	272,475	0	19,717	19,717	0
Fund balance end of year	\$2,201,495	\$3,150,521	\$949,026	\$131,485	\$419,403	\$287,918

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

Debt Service Fund			Capital Projects Funds			Total (Memorandum only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$0	\$0	\$0	\$386,481	\$386,481	\$0	\$3,762,832	\$3,762,832	\$0
0	0	0	0	0	0	152,700	149,955	(2,745)
0	0	0	7,634	8,192	558	254,032	275,975	21,943
0	0	0	7,365	7,365	0	116,540	130,939	14,399
0	0	0	276,457	266,457	(10,000)	6,445,749	6,611,158	165,409
0	0	0	677,937	668,495	(9,442)	10,731,853	10,930,859	199,006
0	0	0	86,500	79,705	6,795	4,964,569	4,473,909	490,660
0	0	0	0	0	0	1,261,864	1,173,967	87,897
0	0	0	0	0	0	108,624	106,522	2,102
0	0	0	0	0	0	73,000	72,946	54
0	0	0	0	0	0	862,461	801,563	60,898
0	0	0	0	0	0	672,539	612,814	59,725
0	0	0	0	0	0	47,325	38,975	8,350
0	0	0	0	0	0	913,503	883,214	30,289
0	0	0	5,300	5,257	43	272,406	262,837	9,569
0	0	0	0	0	0	11,502	9,346	2,156
0	0	0	7,720	7,720	0	988,253	851,841	136,412
0	0	0	0	0	0	173,675	147,298	26,377
0	0	0	0	0	0	11,994	11,359	635
0	0	0	0	0	0	205,937	198,772	7,165
0	0	0	0	0	0	287,291	276,150	11,141
0	0	0	668,026	574,067	93,959	855,615	679,192	176,423
0	0	0	767,546	666,749	100,797	11,710,558	10,600,705	1,109,853
0	0	0	(89,609)	1,746	91,355	(978,705)	330,154	1,308,859
0	0	0	0	0	0	57,600	57,410	(190)
0	0	0	0	0	0	329,835	330,055	220
0	0	0	0	0	0	(310,100)	(310,055)	45
0	0	0	0	0	0	267,030	267,024	(6)
0	0	0	(266,880)	(266,880)	0	(287,024)	(267,724)	19,300
0	0	0	0	0	0	2,000	2,071	71
0	0	0	(266,880)	(266,880)	0	59,341	78,781	19,440
0	0	0	(356,489)	(265,134)	91,355	(919,364)	408,935	1,328,299
16,187	16,187	0	190,463	190,463	0	2,810,313	2,810,313	0
0	0	0	274,748	274,748	0	566,940	566,940	0
\$16,187	\$16,187	\$0	\$108,722	\$200,077	\$91,355	\$2,457,889	\$3,786,188	\$1,328,299

NORTH COLLEGE HILL CITY SCHOOLS
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED JUNE 30, 2001

	Enterprise
<u>Operating revenues:</u>	
Sales	\$183,493
Total operating revenues	183,493
<u>Operating expenses:</u>	
Salaries and wages	23,210
Fringe benefits	31,056
Contract services	149,747
Material and supplies	220,379
Depreciation	8,672
Other operating expenses	1,962
Total operating expenses	435,026
Operating (loss)	(251,533)
<u>Non-operating revenues:</u>	
Donated commodities	32,677
Earnings on investments	6,041
Operating grants - federal, state and local	201,578
Total non-operating revenues	240,296
Net (loss)	(11,237)
Retained Earnings at beginning of year	324,872
Retained Earnings at end of year	\$313,635

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

NORTH COLLEGE HILL CITY SCHOOLS
 COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED JUNE 30, 2001
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Enterprise
Cash flows from operating activities:	
Cash received from sales.....	\$183,546
Cash payments for personal services.....	(55,569)
Cash payments for contract services.....	(149,428)
Cash payments for supplies and materials.....	(185,290)
Cash payments for other expenses.....	(1,962)
Net cash used by operating activities.....	(208,703)
Cash flows from noncapital financing and investing activities:	
Cash received from operating grants.....	201,577
Interest on Investments.....	6,041
Net cash provided by noncapital financing and investing activities.....	207,618
Cash flows from capital and related financing activities:	
Acquisition of capital assets.....	(3,691)
Net cash used for capital and related financing activities.....	(3,691)
Net increase (decrease) in cash and cash equivalents.....	(4,776)
Cash and cash equivalents at beginning of year.....	276,573
Cash and cash equivalents at end of year.....	\$271,797
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss.....	(\$251,533)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation.....	8,672
Donated commodities used.....	32,677
Changes in assets and liabilities:	
Increase in deferred revenue.....	31
Decrease in accounts receivable.....	53
Decrease in supplies inventory.....	150
Decrease in accrued wages & benefits.....	(1,303)
Increase in accounts payable.....	2,550
Net cash used by operating activities...	(\$208,703)

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, 2001

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 50 non-certificated personnel and 113 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 3 elementary schools, 1 junior/senior high school (grades 7-12).

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.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 a Special Revenue 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).

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2001. 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, 2001 and uncollected by the county auditor are not intended to finance fiscal 2001 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.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2000-01 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	\$226,450
Special Revenue	187,567
Capital Projects	27,173
Proprietary:	
Enterprise Funds	7,625

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 P 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 2001, 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.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2001. 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, 2001.

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 2001 amounted to \$287,216.

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, 2001, is provided in Note D.

RESTRICTED ASSETS

Restricted asserts in the general fund represent cash and cash equivalents set aside to establish a reserve for textbooks and instructional materials, capital improvements and maintenance, and budget stabilization in accordance with State statute. A reserve for budget stabilization is no longer required by State statute and any balance remaining in the previously required budget reserve can be used with certain restrictions, at the discretion of the Board of Education. A corresponding fund balance reserve has also been established for each set aside amount.

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.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2001.

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.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Sick Leave

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.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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--CHANGES IN ACCOUNTING PRINCIPLES

The District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No 36, "Recipient Reporting for Certain Shared Nonexchange Revenues."

GASB Statement No. 33 established accounting and financial reporting guidelines about when to report the results of nonexchange transactions. GASB Statement No. 36 is a modification to the provisions of GASB Statement No. 33 for certain specific nonexchange revenues. The implementation of these statements had no effect on previous fund balances or retained earnings and did not require a prior period adjustment.

NOTE D--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.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE D--EQUITY IN POOLED CASH AND INVESTMENTS (continued)

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 \$312,361 and the bank balance was \$365,035 (excluding payroll clearing accounts with a book balance of \$0 and a bank balance of \$155,217). Of the bank balance \$100,297 was covered by federal depository insurance, and \$419,955 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.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE D--EQUITY IN POOLED CASH AND INVESTMENTS (continued)

Based on the above criteria, the District's investments at June 30, 2001 are classified as follows:

	Category 1	Reported Amount	Fair Value
FHLB Note	\$552,383	\$552,383	\$552,383
U.S. Treasury Notes	853,847	853,847	853,847
U.S. Treasury Bills	136,871	136,871	136,871
FNMA Notes	620,165	620,165	620,165
Certificate of Deposit	160,000	160,000	160,000
FHLMC Note	640,062	640,062	640,062
STAROhio		1,406,217	1,406,217
	<u>\$2,963,328</u>	<u>\$4,369,545</u>	<u>\$4,369,545</u>

NOTE E--DEBT SERVICE FUNDS

The District maintains \$16,187 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 F--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 2001 were based as follows:

Tangible Personal	\$4,780,030
Real Estate	<u>127,490,280</u>
 Total Valuation	 <u>\$132,270,310</u> =====

In 2001 real property taxes were levied in January on the assessed values as of January 1, 2000, 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 2001, 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 2001, if paid annually, payment was due by December 31st. If paid semi-annually, the first payment (at least 1/2 amount billed) was due December 31th with the remainder due on June 20th. Under certain circumstances, state statute permits alternate payment dates to established.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE F--PROPERTY TAXES (continued)

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, 2001. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2000. 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 G--RECEIVABLES

Receivables at June 30, 2001 consisted of taxes, interest, 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	\$3,849,099
	Due from other Governments	501,452
	Accounts	1,258
	Interest	70,077
Special Revenue	Accounts	154
	Due from other Governments	2,980
Capital Projects	Taxes	448,962
	Due from other Governments	50,000
Enterprise	Accounts	514

NOTE H--FIXED ASSETS

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

	<u>Balance at June 30, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2001</u>
Land/Land Improvements	\$166,088	\$0	\$0	\$166,088
Building/Building Improvements	3,879,662	210,028	0	4,089,690
Furniture Fixtures/ Equipment	2,351,889	203,196	52,517	2,502,568
	<u>\$6,397,639</u>	<u>\$413,224</u>	<u>\$52,517</u>	<u>\$6,758,346</u>

There was no significant construction in progress as of June 30, 2001.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE H--FIXED ASSETS (continued)

A summary of the Proprietary Fund fixed assets at June 30, 2001 follows:

Furniture and Equipment	\$187,598
Less Accumulated Depreciation	(133,483)
	\$54,115
	\$54,115

NOTE I--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 Obligations Account Group. Principal payments in 2001 totaled \$18,423.

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, 2001.

	Year Ending	Amount
	2002	\$22,482
	2003	22,345
	2004	22,345
	2005	22,345
	2006	22,345
	2007	5,586
Total Minimum Lease Payments		117,448
Less:		
Amount Representing Interest		15,120
Present Value of Minimum Lease Payments		\$102,328

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE J--CHANGES IN THE GENERAL LONG TERM OBLIGATIONS ACCOUNT GROUP

During the year ended June 30, 2001 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, 2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2001</u>
Compensated Absence:				
Vacation	\$69,270	\$71,266	\$52,084	\$88,452
Accrued Sick Leave	485,399	98,876	41,484	542,791
General Obligation Debt:				
Capital Leases	<u>2,824</u>	<u>117,927</u>	<u>18,423</u>	<u>102,328</u>
Total	<u>\$557,493</u>	<u>\$288,069</u>	<u>\$111,991</u>	<u>\$733,571</u>

NOTE K--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, 2001 are a voted debt margin of \$11,904,328 and an unvoted debt margin of \$132,270.

NOTE L—SET ASIDE DISCLOSURE

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. Effective April 10, 2001, Senate Bill 345 eliminated the Statutory requirement that the School District must set aside money for budget stabilization. Any balance remaining in the previously required budget reserve can be used with certain restrictions, at the discretion of the Board of Education.

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.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE L—SET ASIDE DISCLOSURE (continued)

Reserved Fund Balances

	<u>Instructional Materials</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Reserve Balance as of June 30, 2000	\$50,900	\$66,585	\$133,280	\$250,765
Reduction due to Senate Bill 345			(133,280)	(133,280)
Current Year Set-aside Requirement	209,835	209,835	0	419,670
Qualifying Disbursements	<u>(77,967)</u>	<u>(229,851)</u>	<u>0</u>	<u>(307,818)</u>
Set Aside Reserve Balance As of June 30, 2001	\$182,768 =====	\$46,569 =====	\$0 =====	\$229,337 =====

Senate Bill 345 eliminated the Budget Stabilization Reserve, except for amounts related to unspent Bureau of Workers' Compensation refunds. The Bill requires the Board of Education to designate its intended use of the Reserve.

Designated Fund Balance

	<u>Instructional Materials</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Additional Money Set-aside as of June 30, 2001	\$0	\$0	\$368,876	\$368,876

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

NOTE M--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, 2001.

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Total</u>
Operating Revenues	\$147,077	\$36,416	\$183,493
Operating Expenses	<u>397,555</u>	<u>37,471</u>	<u>435,026</u>
Operating (Loss) Income	(250,478)	(1,055)	(251,533)
Nonoperating Revenue	<u>240,296</u>	<u>-0-</u>	<u>240,296</u>
Net Income (Loss)	(10,182)	(1,055)	(11,237)
Net Working Capital	198,315 =====	61,205 =====	259,520 =====

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE M--SEGMENT INFORMATION (continued)

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Total</u>
Total Assets	\$269,644 =====	\$62,775 =====	\$332,419 =====
Total Liability	17,214 =====	1,570 =====	18,784 =====
Total Equity	252,430 =====	61,205 =====	313,635 =====

NOTE N--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; 9.5 percent was the portion used to fund pension obligations. 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, 2001, 2000, and 1999 were \$469,000, \$275,969, and \$262,551 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 2001, 4.2 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, 2001, 2000, and 1999 were \$51,749, \$66,680, and \$85,752 respectively, equal to the required contributions for each year.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE O--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. For the fiscal year ended June 30, 2001, the Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$172,789 during fiscal 2001.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was \$3.419 million. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 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 9.8 percent of covered payroll, an increase from 1.3 percent for fiscal year 2000. 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 2001, 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 150 percent of annual health care expenses. Expenses for health care at June 30, 2000, (the latest information available) were \$140,696,340 and the target level was \$211 million. At June 30, 2000 SERS had net assets available for payment of health care benefits of \$252.3 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 \$76,424 during the 2001 fiscal year

NOTE P--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).

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE P--BUDGET TO GAAP RECONCILIATION (continued)

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability in 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	\$530,271	\$126,138	\$0	\$251,065
Net Adjustment for Revenue Accruals	79,101	(33,405)	0	17,847
Net Adjustment for Expenditure Accruals and Encumbrances	(131,336)	(102,066)	0	(267,166)
Net Adjustment for Other Financing Sources (Uses)	174,945	30,421	0	(266,880)
Budgetary Basis	\$652,981	\$21,088	\$0	(\$265,134)

NOTE Q--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 R--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.

North College Hill City School District
Notes to the General-Purpose Financial Statements
For the year ended June 30, 2001

NOTE S--JOINTLY GOVERNED ORGANIZATIONS

The Hamilton/Clermont Cooperative Association (HCCA) is a association consisting of 24 public school districts. The organization 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 school 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 2001 fiscal year the School District paid \$19,338 to HCCA for services. Financial information can be obtained from the HCCA of Boards of Education, Al Porter, Executive Director, at 7615 Harrison Avenue, Cincinnati, Ohio 45231-3107.

NOTE T--SUBSEQUENT EVENTS

On September 6, 2001 the Ohio Supreme Court issues its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- 1) A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- 2) Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of December 12, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision and the reconsideration will have on its future state funding and on its financial operations.

NORTH COLLEGE HILL CITY SCHOOL DISTRICT

Schedule of Federal Awards Expenditures

For the Year Ended June 30, 2001

Federal Grantor / Pass Through Grantor / Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Expenditures
<u>U.S. Department of Agriculture</u>				
<i>Passed Through Ohio Department of Education:</i>				
Nutrition Cluster:				
School Breakfast Program	05-PU 2001	10.553	\$27,293	\$27,293
National School Lunch Program	04-PU 2001	10.555	140,034	140,034
Total U.S. Department of Agriculture			167,327	167,327
<u>U.S. Department of Education</u>				
<i>Passed Through Great Oaks Career Technical Center</i>				
Vocational Education - ICP Career Grant	754-2001	84.048	3,570	2,993
<i>Passed Through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	C1-S1 2001	84.010	249,588	251,804
Special Education Cluster:				
Special Education - Grants to States	6B-SF 2000 P	84.027	95,589	96,094
Special Education - Preschool Grants	PG-S1-01	84.173	6,301	6,224
			101,890	102,318
Safe and Drug-Free Schools and Communities	DR-S1-01	84.186	17,755	5,744
Goals 2000: Improvement Grants	G2-S1 00/01	84.276	35,000	396
Eisenhower Professional Development Grant	MS-S1 2001	84.281	5,023	1,687
Innovative Educational Program Strategies	C2-S1 2001	84.298	9,304	6,805
Class Size Reduction	CR-S1 2001	84.340	29,415	18,179
Total U.S. Department of Education			451,545	389,926
Total Federal Financial Assistance			<u>\$618,872</u>	<u>\$557,253</u>

Note 1 - Noncash Federal Financial Assistance

During the year ended June 30, 2001, the District received \$32,645 and used \$32,677 in fair value inventory under the Nutrition Cluster - Food Distribution (Commodities) Program, Federal CFDA Number 10.550, that is not reported in the above schedule. At June 30, 2001 the District had no significant food commodities inventory.

Note 2 - Significant Accounting Policies

The District prepares its Schedule of Federal Awards Expenditures on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

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J. L. UHRIG & ASSOCIATES, INC.

Certified Public Accountants

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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 Education
North College Hill City School District
1498 W. Galbraith Road
Cincinnati, Ohio 45231-5597

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, 2001 and have issued our report thereon dated December 12, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

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 over financial reporting 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 material weaknesses. However, we noted certain matters involving the internal control over financial reporting that we have reported to the management of the District in a separate letter dated December 12, 2001.

This report is intended for the information and use of the Board of Education, 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.

J. L. Uhrig & Associates, Inc.

J. L. UHRIG & ASSOCIATES, INC.
Certified Public Accountants

December 12, 2001

**Report on Compliance with Requirements Applicable to Each Major
Program and Internal Control over Compliance in Accordance with
OMB Circular A-133**

Board of Education
North College Hill City School District
1498 W. Galbraith Road
Cincinnati, Ohio 45231-5597

Compliance

We have audited the compliance of 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, 2001. The District's major federal program 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 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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, 2001.

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 compliance and its operation that we consider to be material weaknesses.

Board of Education
North College Hill City School District
Report on Compliance with Requirements Applicable to Each Major
Program and Internal Control over Compliance in Accordance with
OMB Circular A-133

This report is intended for the information and use of the Board of Education, 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.

J. L. Uhrig & Associates, I nc.

J. L. UHRIG & ASSOCIATES, INC
Certified Public Accountants

December 12, 2001

NORTH COLLEGE HILL CITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2001

A. SUMMARY OF AUDITOR'S RESULTS

1. Type of Financial Statement Opinion	Unqualified
2. Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?	No
3. Were there any other reportable internal control weaknesses reported at the financial statement level (GAGAS)?	No
4. Was there any material noncompliance reported at the financial statement level (GAGAS)?	No
5. Were there any material internal control weaknesses reported for major federal programs?	No
6. Were there any other reportable internal control weaknesses reported for major federal programs?	No
7. Type of Major Programs' Compliance Opinion	Unqualified
8. Are there any reportable findings under § .510?	No
9. Major Programs (list):	Title I CFDA # 84.010
10. Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Other Programs
11. Low Risk Auditee?	Yes

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

There were no findings related to the financial statements required to be reported in accordance with GAGAS.

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 12, 2002**