

**CLEARVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 1999

**Clearview Local School District
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REPORT OF INDEPENDENT ACCOUNTANTS

Clearview Local School District
Lorain County
4700 Broadway Avenue
Lorain, Ohio 44052

To the Board of Education:

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

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 1999 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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



JIM PETRO
Auditor of State

December 7, 1999

Clearview Local School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 1999

	<u>Governmental Fund Types</u>			<u>Proprietary Fund Type</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>
ASSETS AND OTHER DEBITS				
Assets				
Cash and Cash Equivalents	\$3,105,698	\$231,594	\$330,702	\$228,525
Receivables:				
Taxes	1,372,043	331,272	121,161	0
Accounts	1,673	105	750	455
Intergovernmental Receivable	4,617	152,763	0	43,482
Interfund Receivable	61,450	0	0	0
Inventory Held For Resale	0	0	0	6,206
Inventory	30,117	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	91,075	0	0	0
Fixed Assets (Net of Accumulated Depreciation In Enterprise Funds)	0	0	0	10,369
Other Debits:				
Amount To Be Provided for Benefits	0	0	0	0
Total Assets	<u>\$4,666,673</u>	<u>\$715,734</u>	<u>\$452,613</u>	<u>\$289,037</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Accounts and Contracts Payable	\$4,953	\$248	\$11,651	\$1,620
Accrued Wages and Benefits	786,929	182,084	0	57,167
Compensated Absences Payable	6,973	0	0	0
Deferred Revenue	1,147,889	276,078	101,332	3,493
Interfund Payable	0	61,450	0	0
Due to Others	0	0	0	0
Due to Students	0	0	0	0
Total Liabilities	<u>1,946,744</u>	<u>519,860</u>	<u>112,983</u>	<u>62,280</u>
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Unreserved Retained Earnings	0	0	0	226,757
Fund Balance:				
Reserved for Encumbrances	145,703	21,120	52,054	0
Reserved for Inventory	30,117	0	0	0
Reserved for Property Taxes	224,154	55,194	19,829	0
Reserved for Budget Stabilization	91,075	0	0	0
Unreserved, Undesignated	2,228,880	119,560	267,747	0
Total Fund Equity and Other Credits	<u>2,719,929</u>	<u>195,874</u>	<u>339,630</u>	<u>226,757</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$4,666,673</u>	<u>\$715,734</u>	<u>\$452,613</u>	<u>\$289,037</u>

See Notes to General Purpose Financial Statements

<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$18,136	\$0	\$0	\$3,914,655
0	0	0	1,824,476
194	0	0	3,177
0	0	0	200,862
0	0	0	61,450
0	0	0	6,206
0	0	0	30,117
0	0	0	91,075
0	4,706,251	0	4,716,620
0	0	839,509	839,509
<u>\$18,330</u>	<u>\$4,706,251</u>	<u>\$839,509</u>	<u>\$11,688,147</u>
\$1,622	\$0	\$0	\$20,094
0	0	173,111	1,199,291
0	0	666,398	673,371
0	0	0	1,528,792
0	0	0	61,450
1,394	0	0	1,394
14,440	0	0	14,440
<u>17,456</u>	<u>0</u>	<u>839,509</u>	<u>3,498,832</u>
0	4,706,251	0	4,706,251
0	0	0	226,757
0	0	0	218,877
0	0	0	30,117
0	0	0	299,177
0	0	0	91,075
874	0	0	2,617,061
<u>874</u>	<u>4,706,251</u>	<u>0</u>	<u>8,189,315</u>
<u>\$18,330</u>	<u>\$4,706,251</u>	<u>\$839,509</u>	<u>\$11,688,147</u>

Clearview Local School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999

	<u>Governmental Fund Types</u>			<u>Totals</u> <u>(Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Revenues				
Taxes	\$1,677,486	\$361,389	\$134,258	\$2,173,133
Tuition	31,944	0	0	31,944
Earnings on Investments	193,316	0	0	193,316
Extracurricular Activities	0	101,238	0	101,238
Intergovernmental	4,697,405	1,197,045	127,437	6,021,887
Other	14,281	882	0	15,163
Total Revenues	6,614,432	1,660,554	261,695	8,536,681
Expenditures				
Current:				
Regular Instruction	2,833,648	762,843	89,387	3,685,878
Special Instruction	511,007	363,753	0	874,760
Vocational and Other Instruction	180,505	0	0	180,505
Adult Continuing	0	4,222	0	4,222
Support Services:				
Pupil Services	344,523	60,024	0	404,547
Instructional Staff	281,485	99,436	162,210	543,131
Administration	694,131	23,925	8,146	726,202
Business and Fiscal Services	281,306	6,347	25,598	313,251
Plant Operation and Maintenance	660,096	0	8,523	668,619
Pupil Transportation	226,651	35	0	226,686
Central	55,950	0	19,528	75,478
Community Services	0	150,681	0	150,681
Extracurricular	195,627	46,035	0	241,662
Capital Outlay	0	32,519	68,552	101,071
Total Expenditures	6,264,929	1,549,820	381,944	8,196,693
Excess Revenues Over (Under) Expenditures	349,503	110,734	(120,249)	339,988
Other Financing Sources (Uses)				
Refund of Prior Year's Expenditure	94,538	0	750	95,288
Total Other Financing Sources (Uses)	94,538	0	750	95,288
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	444,041	110,734	(119,499)	435,276
Fund Balances at Beginning of Year	2,281,919	85,140	459,129	2,826,188
Decrease in Reserve for Inventory	(6,031)	0	0	(6,031)
Fund Balances at End of Year	\$2,719,929	\$195,874	\$339,630	\$3,255,433

See Notes to General Purpose Financial Statements

Clearview Local School District
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)
All Governmental Fund Types
General Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Revenues			
Taxes	\$1,649,894	\$1,649,894	\$0
Interest	191,274	207,768	16,494
Tuition	30,642	30,642	0
Intergovernmental	4,781,290	4,692,788	(88,502)
Miscellaneous	13,705	14,265	560
Total Revenues	6,666,805	6,595,357	(71,448)
Expenditures			
Current:			
Regular Instruction	2,993,743	2,805,207	188,536
Special Instruction	506,605	506,534	71
Vocational	184,250	180,395	3,855
Supporting Services:			
Pupil Services	343,253	334,207	9,046
Instructional Staff	330,739	279,983	50,756
Board of Education	24,500	17,050	7,450
Administration	718,967	717,971	996
Fiscal Services	209,806	207,157	2,649
Business	76,390	74,573	1,817
Operation & Plant Maintenance	684,978	683,028	1,950
Pupil Transportation	256,861	226,983	29,878
Central	69,871	63,523	6,348
Extracurricular	198,145	195,369	2,776
Total Expenditures	6,598,108	6,291,980	306,128
Excess of Revenues Over (Under) Expenditures	68,697	303,377	234,680
Other Financing Sources (Uses)			
Operating Transfers-In	47,740	47,740	0
Advances-In	215,918	215,918	0
Refund of Prior Year's Expenditures	97,771	97,771	0
Operating Transfers-Out	(48,000)	(47,740)	260
Advances-Out	(97,861)	(97,311)	550
Total Other Financing Sources (Uses)	215,568	216,378	810
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	284,265	519,755	235,490
Fund Balance at Beginning of Year	2,409,839	2,409,839	0
Prior Year Encumbrances Appropriated	116,645	116,645	0
Fund Balance at End of Year	\$2,810,749	\$3,046,239	\$235,490

See Notes to General Purpose Financial Statements

Clearview Local School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)
 All Governmental Fund Types
Special Revenue Funds
 For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Revenues			
Taxes	\$353,412	\$353,412	\$0
Extracurricular	101,886	101,886	0
Intergovernmental	1,508,071	1,248,980	(259,091)
Miscellaneous	881	881	0
Total Revenues	1,964,250	1,705,159	(259,091)
Expenditures			
Current:			
Regular Instruction	813,148	740,315	72,833
Special Instruction	375,809	375,381	428
Vocational	1,050	0	1,050
Adult	7,951	4,222	3,729
Supporting Services:			
Pupil Services	65,900	61,379	4,521
Instructional Staff	73,318	72,239	1,079
Administration	23,442	23,442	0
Fiscal Services	6,450	6,347	103
Pupil Transportation	132	35	97
Central	7,693	0	7,693
Non-Instructional Services	166,313	161,281	5,032
Extracurricular	48,592	48,436	156
Capital Outlay	32,519	32,519	0
Total Expenditures	1,622,317	1,525,596	96,721
Excess of Revenues Over (Under) Expenditures	341,933	179,563	(162,370)
Other Financing Sources (Uses)			
Advances-In	61,450	61,450	0
Advances-Out	(180,057)	(180,057)	0
Total Other Financing Sources (Uses)	(118,607)	(118,607)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	223,326	60,956	(162,370)
Fund Balance at Beginning of Year	116,194	116,194	0
Prior Year Encumbrances Appropriated	32,946	32,946	0
Fund Balance at End of Year	\$372,466	\$210,096	(\$162,370)

See Notes to General Purpose Financial Statements

Clearview Local School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)
 All Governmental Fund Types
Capital Projects Funds
 For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Revenues			
Taxes	\$134,258	\$134,258	\$0
Intergovernmental	120,100	122,895	2,795
Total Revenues	254,358	257,153	2,795
Expenditures			
Current:			
Regular Instruction	95,908	88,908	7,000
Supporting Services:			
Instructional Staff	257,927	176,389	81,538
Administration	10,000	8,146	1,854
Fiscal Services	2,250	2,201	49
Business	28,250	23,397	4,853
Plant Operation and Maintenance	10,054	8,523	1,531
Central	19,528	19,528	0
Capital Outlay	111,500	111,357	143
Total Expenditures	535,417	438,449	96,968
Excess of Revenues Over (Under) Expenditures	(281,059)	(181,296)	99,763
Fund Balance at Beginning of Year	424,062	424,062	0
Prior Year Encumbrances Appropriated	24,234	24,234	0
Fund Balance at End of Year	\$167,237	\$267,000	\$99,763

See Notes to General Purpose Financial Statements

Clearview Local School District
 Combined Statement of Revenues, Expenses
 and Changes in Retained Earnings
Proprietary Fund Type
 For the Fiscal Year Ended June 30, 1999

	<u>Enterprise</u>
Operating Revenues	
Tuition	\$455
Sales	173,881
Other	9,290
	<hr/>
Total Operating Revenues	183,626
Operating Expenses	
Salaries	173,118
Fringe Benefits	48,436
Purchased Services	7,855
Supplies and Materials	191,418
Other	2,968
Depreciation	4,127
	<hr/>
Total Operating Expenses	427,922
Operating Loss	(244,296)
Non-Operating Revenues	
Interest	7,640
Federal and State Subsidies	300,675
	<hr/>
Total Non-Operating Revenues	308,315
Net Income	64,019
Add depreciation on fixed assets transferred in from other funds that reduces contributed capital	2,245
	<hr/>
Net Increase in Retained Earnings	66,264
Retained Earnings at Beginning of Year	160,493
	<hr/>
Retained Earnings at End of Year	\$226,757
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See Notes to General Purpose Financial Statements

Clearview Local School District
 Combined Statement of Cash Flows
Proprietary Fund Type
 For the Fiscal Year Ended June 30, 1999

	<u>Enterprise</u>
Cash Flows From Operating Activities	
Operating Income (Loss)	(\$244,296)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities:	
Depreciation	4,127
(Increase) Decrease In Assets:	
Intergovernmental Receivable	(8,107)
Accounts Receivable	(455)
Inventories	7,957
Increase (Decrease) In Liabilities:	
Accounts Payable	1,374
Accrued Wages and Benefits Payable	5,975
Deferred Revenue	<u>(4,693)</u>
Total Adjustments	<u>6,178</u>
 Net Cash Provided By (Used In) Operating Activities	 (238,118)
 Cash Flows From Non-Capital Financing Activities	
Interest	7,640
Non-Operating Grants	<u>300,675</u>
 Net Cash Provided By Non-Capital Financing Activities	 308,315
 Cash Flows From Capital and Related Financing Activities	
Purchase of Fixed Assets	<u>(2,500)</u>
 Net Increase in Cash & Cash Equivalents	 67,697
 Cash And Cash Equivalents, Beginning of Year	 <u>160,828</u>
 Cash And Cash Equivalents, End of Year	 <u><u>\$228,525</u></u>

See Notes to General Purpose Financial Statements

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 1: Summary of Significant Accounting Policies

Reporting Entity: The Clearview Local School District is a school district corporation governed by an elected Board of Education. The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, department, boards and agencies that are not legally separate from the District. For Clearview Local School District, this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units.

The District is associated with certain organizations which are defined as Jointly Governed Organizations. These Organizations are discussed in Note 4.

Measurement Focus, Basis of Accounting and Basis of Presentation: The accounts of the government are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The government has the following fund types and account groups:

Governmental funds are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e.,

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 1: Summary of Significant Accounting Policies - continued

when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The government considers all revenues available if they are collected within 30 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, if any, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property tax revenues, tuition revenues, grant revenues, interest revenues, and classroom materials and fees are susceptible to accrual.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects).

The capital projects funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary funds.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The government applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989.

Proprietary funds include the following fund type:

The enterprise funds account for those operations that are financed and operated in a

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 1: Summary of Significant Accounting Policies - continued

manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity and do not involve the measurement of results of operations.

Account groups. The general fixed assets account group is used to account for fixed assets not accounted for in proprietary funds. The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary funds.

Assets, Liabilities and Fund Equity

Cash and Investments: The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investment procedures are restricted by provisions of the Ohio Revised Code.

Purchased investments are valued at cost and do not effect fund equity when purchased or redeemed.

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

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 1: Summary of Significant Accounting Policies - continued

Receivables and Payables: Property taxes are levied and assessed on a calendar year basis. Property taxes include amounts levied against real, public utility, and tangible personal property located in the District.

Outstanding loans between funds are presented in these accompanying financial statements as interfund receivables and interfund payables.

Restricted Assets: Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. For fiscal year 1999 the District's reserve amount is \$91,075. This reserve is required by State statute and can be used only after receiving approval from the Ohio Department of Education. A fund balance reserve has also been established.

Inventories: Inventories are valued at cost using the first in/first out method. The costs of governmental fund type inventories are recorded as expenditures when purchased. Governmental fund-type inventories, on hand at year-end, are offset by a fund balance reserve which indicates they do not constitute available spendable resources even though they are a component of assets.

Proprietary fund type inventory costs are charged to operations when consumed.

Fixed Assets and Depreciation: Property, plant, and equipment items are stated on the basis of cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. Infrastructure including driveways, sidewalks, parking lots, lighting systems, drainage systems, and landscaping are not capitalized. Assets costing less than five hundred dollars (\$500) are not capitalized. The cost of normal maintenance and repairs is charged to operations as incurred. Assets in the general fixed assets account group are not depreciated. Proprietary fund assets are depreciated using the straight-line method over various useful lives that range from eight to twenty years.

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 1: Summary of Significant Accounting Policies - continued

Compensated Absences

Employees earn vacation in accordance with the following:

Administrators	Twenty days per year
Certificated	Ineligible for vacation
Non-Certificated	Ten to twenty days per year depending on years of service

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service. This sick leave will either be absorbed by time off due to illness or injury or, within certain limitation, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to one-quarter of the accumulated sick leave to a maximum payout of fifty days. Sick leave is calculated using the vested method.

Compensated absences are absences for which employees will be paid, such as vacation, sick leave, or sabbatical leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for them. The remainder of the compensated absences liability is reported in the general long-term debt account group.

In the proprietary funds compensated absences are recorded as an expense and liability of the fund that will pay for them.

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 1: Summary of Significant Accounting Policies – continued

expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as a reduction of expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Fund Balance Reserves: The District records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available spendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventory, property taxes and budget stabilization. Under Ohio law, the reserve for budget stabilization is established for certain revenues but is not expendable without permission of the Ohio Department of Education.

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.

Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned as "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

Note 2: Stewardship, Compliance and Accountability

The Board of Education is required, by Ohio Revised Code, to adopt an annual budget for all funds, other than agency funds.

Budget: A budget of estimated cash receipts and disbursements is adopted by January 15 and submitted to the county auditor, as secretary of the County Budget Commission, by January 20 of each year for the ensuing July 1 to June 30 fiscal year.

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 2: Stewardship, Compliance and Accountability - continued

Estimated Resources: The County Budget Commission certifies its actions to the District. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to fiscal year end, the District must revise its budget so that the total contemplated expenditures from a fund during the year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts, as shown in the accompanying "Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types", do not include July 1, 1998 unencumbered fund balances. However, those fund balances are available for appropriations. The amounts reported in the budgetary statements reflect the final budget figures.

Appropriations: Appropriations may be defined as expenditure authorization and are synonymous with budget within the Budget and Actual presentations. A temporary appropriation measure to control the cash disbursements may be passed prior to passage of the annual appropriation measure. An annual appropriation measure is passed for the current fiscal year at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. The appropriation measure may be amended or supplemented during the year as new information becomes available. Amendments are formally approved by the Board of Education.

Several amendments and supplements were enacted during the fiscal year. The amounts reported in the budgetary statements reflect final amended appropriations. Appropriations may not exceed estimated resources and expenditures plus encumbrances may not exceed appropriations at the legal level.

Encumbrances: The District is required to use, by Ohio law, the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. Encumbrances at year end have

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 2: Stewardship, Compliance and Accountability - continued

been presented as reserves of fund balances.

The fund balances at the beginning of the fiscal year, in the combined "Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)", reflect cash basis fund balances and have not been reduced for outstanding encumbrances. The encumbrance balances at the beginning of the fiscal year were: General Fund \$116,645, Special Revenue Funds \$32,946, and Capital Projects Funds \$24,234.

Budgetary Basis of Accounting: The District's budgetary process is based upon accounting for transactions on the budget basis. The difference between budget basis and modified accrual (GAAP) basis are that revenues are recorded when received in budget as opposed to when susceptible to accrual (GAAP) and expenditures are recorded when paid or encumbered (budget) as opposed to when incurred (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the GAAP basis are as follows:

	Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Governmental Fund Types		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
GAAP Basis	\$ 444,041	\$ 110,734	\$(119,499)
Net Adjustments for Revenue Accruals	(19,075)	44,605	(4,542)
Net Adjustments for Expenditure Accruals	(27,051)	24,224	(57,255)
Net Adjustments for Interfund			
Loan Transactions	<u>121,840</u>	<u>(118,607)</u>	
Budget Basis	<u>\$ 519,755</u>	<u>\$ 60,956</u>	<u>\$(181,296)</u>

Note 3: Cash and Investments

Cash and Cash Equivalents and Investments: The District maintains a cash and investment pool used by all funds. Each fund type's portion is displayed on the "Combined Balance Sheet - All Fund Types and Account Groups" as cash and cash equivalents.

Legal Requirements: Deposits and investments are restricted by provisions of the Ohio Revised Code. Statutes require the classification of monies held by the District

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 3: Cash and Investments - continued
into three categories.

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

Inactive deposits are public deposits that are 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 or deposit accounts including passbook accounts.

Inactive and interim monies are permitted to 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 or 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 issuance's of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 3: Cash and Investments - continued

4. Bonds and other obligations of the State of Ohio and any of its subdivisions;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eight days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 District and must be purchased with the expectation that it will be held to maturity.

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

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

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 3: Cash and Investments - continued

Deposits: At year-end, the carrying amount of the District's deposits was \$781,187 and the bank balance was \$847,900. Of the bank balance:

1. \$100,000 was covered by federal depository insurance.
2. \$747,900 was uncollateralized and uninsured. Although the securities serving as collateral were held by the pledging financial institution's trust department in the District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The District's only investment at year-end was in the State Treasurer's investment pool, which is not subject to risk categorization. The carrying and market values of the investment was \$3,224,543.

Note 4: Jointly Governed Organizations

A. Lorain County Joint Vocational School District

The Lorain County Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each participating school district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Lorain County Joint Vocational School District is not part of the District and its operations are not included as part of the reporting entity. Financial information can be obtained by contacting the Treasurer at the Lorain County Joint Vocational School District, 15181 State Route 58, Oberlin, Ohio.

B. Lake Erie Educational Computer Association (LEECA)

The Lake Erie Educational Computer Association (LEECA) is a jointly governed organization among thirty Districts. The jointly governed 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 districts. Each of the governments of these schools supports LEECA based upon a per pupil charge dependent upon the software package utilized. The LEECA assembly

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 4: Jointly Governed Organizations – continued

consists of the superintendent or designated representative from each participating school district and a representative from the fiscal agent. LEECA is governed by a Board of Directors chosen from the general membership of the LEECA assembly. The Board of Directors consists of a representative from the fiscal agent, and the chairman of each of the operating committees, and at least one Assembly member from each county in which the participating Districts are located. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Lorain County, who serves as the fiscal agent, at 1885 Lake Avenue, Elyria, Ohio.

C. Lake Erie Regional Council (LERC)

The Lake Erie Regional Council (LERC) is a jointly governed organization comprised of thirteen school districts. The jointly governed organization was formed for the purpose of promoting cooperative agreements and activities among its members in dealing with problems of mutual concern such as a media center, gas consumption, driver education, food service and insurance. Each member provides operating resources to LERC on a per pupil or actual usage charge except for insurance. The LERC assembly consists of a superintendent or designated representative from each participating school district and the fiscal agent. LERC is governed by a Board of Directors chosen from the general membership. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Lorain County at 1885 Lake Avenue, Elyria, Ohio.

Note 5: Fixed Assets

A summary of changes in general fixed assets is as follows:

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 1999</u>
Land	\$ 31,460	\$ -	\$ -	\$ 31,460
Building and Improvements	2,477,627	-	-	2,477,627
Furniture, Fixtures and Equipment	1,486,662	277,427	4,990	1,759,099
Vehicles	438,065	-	-	438,065
TOTAL	<u>\$4,433,814</u>	<u>\$277,427</u>	<u>\$ 4,990</u>	<u>\$ 4,706,251</u>

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

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 5: Fixed Assets - continued

A summary of enterprise fund fixed assets as of June 30, 1999 is as follows:

Furniture, Fixtures and Equipment	\$ 131,496
Less Accumulated Depreciation	(121,127)
Net Fixed Assets	<u>\$ 10,369</u>

Note 6: Changes in Contributed Capital

Changes in contributed capital for the year ended June 30, 1999, are as follows:

	<u>Food Service Fund</u>
Contributed Capital on July 1, 1998	\$ 2,245
Less Depreciation Expense Charged to Contributed Capital	(2,245)
Contributed Capital on June 30, 1999	<u>\$ 0</u>

Note 7: Long-Term Obligations

Changes in Long-Term Obligations: Changes in general long-term obligations are as follows:

Accrued Wages and Benefits, Compensated Absences, and Employer's Retirement increased from \$692,448 at June 30, 1998, to \$839,509 at June 30, 1999.

Note 8: Property Taxes

Property taxes include amounts levied annually, on all real and public utility property and business tangible personal property which is located within the District. The Lorain County Auditor is responsible for assessing and remitting these property taxes to the District. The Lorain County Treasurer is responsible for collecting property taxes. Real property taxes collected were based on assessed value equal to thirty-five percent of appraised value. The Lorain County Auditor reappraises real property every six years, which was last completed for 1994. Real property taxes are levied on assessed

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 8: Property Taxes - continued

valuations as of December 31, which is the lien date. Real property taxes, billed one year in arrears, are payable annually or semi-annually. The first payment is due January 20, and the remainder is payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 1999 are available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Tangible personal property taxes collected were based on assessed values that represent varying percentages of cost. Tangible personal property taxes are levied on January 1, which is the lien date, of the current year and are due by April 30.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Accrued property taxes receivable represent real property, personal property and public utility taxes, which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available to the District as an advance at June 30, 1999 was \$299,177 and is recognized as revenue and a reservation of fund balance.

Since Lorain County assesses and levies property taxes on a calendar basis, the District receives property taxes from two (2) taxing years during the District's fiscal year.

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 8: Property Taxes - continued

The assessed values of real and tangible personal property, upon which property tax receipts for the Fiscal Year Ended June 30, 1999 were based, are as follows:

	1998 Assessed <u>Values</u>	1997 Assessed <u>Values</u>
Residential/Agricultural	\$ 38,109,830	\$ 37,630,550
Commercial/Industrial	20,681,460	17,941,450
Public Utilities	134,240	122,680
Personal Property - General	9,625,890	10,502,860
Personal Property - Public Utilities	<u>4,824,040</u>	<u>4,689,530</u>
Total Assessed Valuation	<u>\$ 73,375,460</u>	<u>\$ 70,887,070</u>

Note 9: Pension and Retirement Plans

State Teachers Retirement System

Plan Description The District contributes to the State Teachers Retirement Systems (STRS), a cost-sharing multiple-employer defined benefit pension plan. STRS provides retirement and disability benefits, health care benefits and death benefits to plan members and beneficiaries. State statute assigns the authority to establish and amend benefit provisions to the STRS Board of Trustees. The State Teachers Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to State Teachers Retirement Systems, 275 East Broad Street, Columbus, Ohio 43215.

Funding Policy Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the STRS Board of Trustees. The District's contributions to STRS for the years ending June 30, 1999, 1998, and 1997 were \$554,856, \$535,972, and \$507,945, respectively, equal to the required contributions for each year. For 1998

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 9: Pension and Retirement Plans - continued

and 1997 the full amount has been contributed. For 1999, 83% has been contributed with the remainder being reported as a fund liability and within the general long-term obligations account group.

School Employees Retirement System

Plan Description The District also contributes to the School Employees Retirement Plan (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, health care benefits and death benefits to plan members and beneficiaries. State statute assigns the authority to establish and amend benefit provisions to the SERS Board of Trustees. The School Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to School Employees Retirement Systems, 45 North Fourth Street, Columbus, Ohio 43215.

Funding Policy Plan members are required to contribute 9.0% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the SERS Board of Trustees. The District's contributions to SERS for the years ending June 30, 1999, 1998, and 1997 were \$141,657, \$133,447, and \$126,531, respectively, equal to the required contributions for each year. For 1998 and 1997 the full amount has been contributed. For 1999, 36% has been contributed with the remainder being reported as a fund liability and within the general long-term obligations account group.

Note 10: Post Employment Benefits

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System, and to retired non-certified employees and their dependents through the School Employees Retirement System.

State Teachers Retirement System (STRS)

The State Teachers Retirement System (STRS) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians'

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 10: Post Employment Benefits - continued

State Teachers Retirement System (STRS) - continued

fees, prescription drugs, and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code (ORC), the State Teachers Retirement Board (the Board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium.

The ORC grants authority to STRS to provide health care coverage to benefit recipients, spouses, and dependents. By Ohio law, the cost of the coverage paid from STRS fund shall be included in the employer contribution rate, currently 14% of covered payroll.

Healthcare benefits are financed on a pay-as-you-go basis. The Board currently allocates employer contributions equal to 2% of covered payroll to health care reserve fund from which payments for health care benefits are paid. The balance in the health care reserve fund was \$2,156 million at June 30, 1998. For the year ended June 30, 1998, the net health care costs paid by STRS were \$219,224,000. There were 91,999 eligible benefit recipients.

June 30, 1998 is the latest date for which information is available.

School Employees Retirement System (SERS)

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

After the allocation for basic benefits, the remainder of the employer's contribution is allocated to providing health care benefits. At June 30, 1998, the allocation rate was 4.98%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 10: Post Employment Benefits - continued

service credit. For fiscal 1998, the minimum pay was established as \$12,400. The surcharge rate, added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 125% of annual health care expenses. Expenses for health care at June 30, 1998 were \$111,900,575 and the target level was \$139.9 million.

At June 30, 1998, the Retirement System's net assets available for payment of health care benefits was \$160.3 million, at cost. The number of participants currently receiving health care benefits is approximately 50,000 statewide.

The District's actual contributions for the 1999 fiscal year were \$87,807.

June 30, 1998 is the latest date for which information is available.

Note 11: 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 has a comprehensive property and casualty policy with the Travelers/Aetna Insurance Company. The deductible is \$1,000 per incident. Boilers and machinery are insured by The Travelers Insurance Company and have a deductible of \$100. All vehicles are insured with Wasau Insurance Company and have a \$250 deductible. All Board Members, Administrators, and employees are covered under a school district liability policy with Wasau Insurance Company. The limits of this coverage are \$2,000,000 per occurrence and \$5,000,000 aggregate.

The Board President, Superintendent and Treasurer are covered with surety bonds for \$20,000. These bonds are with Nationwide Insurance Company. Remaining employees who handle money are covered by a commercial coverage crime policy in the amount of \$25,000. This coverage is provided by the United States Fire Insurance Company.

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 11: Risk Management - continued

Settled claims have not exceeded this commercial coverage in any of the past three years. There was no reduction in coverage from the prior year.

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

The District has contracted with the Lake Erie Regional Council of Governments (LERC) to provide employee medical/surgical benefits since December 1988. The LERC is a shared risk pool comprised of thirteen Lorain county school districts. Rates are set through an annual calculation process. The District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. Upon termination, all District claims would be paid without regard to the District's account balance. The LERC Board of Directors has the right to return monies to an exiting district subsequent to the settlement of all expenses and claims. The District provides a medical/surgical plan, a dental plan and life insurance with separate deductibles for single and family coverage.

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 12: Segment Information for Enterprise Funds

Segment information for enterprise funds is as follows:

Food Service Fund: Established to account for the purchase and sale of food to students.

Uniform School Supplies Fund: Established to account for the purchase and sale of school supplies that are ultimately purchased for students.

Latchkey Fund: Established to account for activities and supervision of latchkey children.

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Latchkey Program Fund</u>	<u>Total</u>
Operating Revenues	\$ 158,762	\$ 16,408	\$ 8,456	\$ 183,626
Operating Expenses	404,751	11,590	7,454	423,795
Depreciation Expense	4,127	-	-	4,127
Operating Income (Loss)	(250,116)	4,818	1,002	(244,296)
Non-Operating Grants	300,675	-	-	300,675
Other Non-operating Revenue	7,640	-	-	7,640
Operating Transfers In	-	-	-	-
Net Income (Loss)	58,199	4,818	1,002	64,019
Fixed Asset Additions	2,500	-	-	2,500
Net Working Capital	197,571	10,092	12,218	219,881
Total Assets	263,685	11,712	13,640	289,037
Total Equity	\$ 204,447	\$ 10,092	\$ 12,218	\$ 226,757

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 13: Contingencies

Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement and is subject to audit by the grantor agencies. The District has also met the requirements of the Federal Single Audit Act Amendments of 1996 and OMB Circular A-133. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 1999.

State School Funding

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school-funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 1999, the District received \$4,014,244 of school foundation support for its general fund.

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

Since the Supreme Court ruling, numerous pieces of legislature have been passed by the state legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of, June 30, 1999, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Supreme Court declared unconstitutional.

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 14: Subsequent Events

On July 7, 1999, the District issued \$3,260,000 of Bond Anticipatory Notes to finance construction of additional classrooms and improvements for school buildings. The interest rate on the notes is 3.8%.

Note 15: Fund Balance Reserves:

The District records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available spendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventory, property taxes and budget stabilization. Under Ohio law, the reserve for budget stabilization must be established for certain revenues but is not expendable without permission of the Ohio Department of Education.

	Textbook and Instructional Material Reserve	Capital Improvement and Maintenance Reserve	Budget Stabilization Reserve	Total
Balance 7/1/98	\$0	\$0	\$42,499	\$42,499
Required Set-Aside	95,481	95,481	48,576	239,538
Offset Credits	(15,228)	(123,796)	0	(139,024)
Qualifying Expenditures	(132,172)	(184,282)	(0)	(316,454)
Portions of Offset Credits and Qualifying Expenditures Not Permitted to be Carried Forward	51,919	212,597	0	264,516
Balance 06/30/99	\$0	\$0	\$91,075	\$91,075

Clearview Local School District
Notes To General Purpose Financial Statements
Fiscal Year Ended June 30, 1999

Note 16: 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 government's operations as early as fiscal 1999.

Clearview Local School District has completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as being financial reporting and payroll.

The State of Ohio distributes a portion of the District's operating monies in the form of "Foundation" and federal and state grant payments. Further, the State processes a significant amount of financial and non-financial information about the District through their Education Management and Information System (EMIS). The State is responsible for remediating these systems.

Local property taxes also provide a proportion of the District's operating monies. Tax collection for the District is handled by Lorain County. The County is responsible for remediating this system, and is solely responsible for any costs associated with this project.

Management has been advised that the external service organization has either assessed, remediated, or tested and validated the systems related to Clearview Local School District's financial reporting and payroll as of June 30, 1999.

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 District is, or will be, Year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be year 2000 ready.

Clearview Local School District
Schedule of Federal Awards Receipts and Expenditures
For the Year Ended June 30, 1999

Federal Program	CFDA #	Pass-through Agency Awarding Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
United States Department Of Education						
Passed-through Ohio Department of Education						
Special Education Cluster:						
Special Education - Grants to States	84.027	6B-SF 98/99 P	\$72,463	\$0	\$45,120	\$0
Title 1 Grants to Local Educational Agencies	84.010	C1-S1 98/99	528,901	0	437,781	0
Vocational Education - Basic Grants to States	84.048		1,142	0	0	0
Telecommunication/E-Rate	84.XXX		5,158	0	0	0
Innovative Education Program Strategies	84.298	C2-S1 99	5,277	0	3,774	0
Goals 2000-State and Local Education Systemic Improvemer	84.276	G2-S2 99	5,000	0	0	0
Safe and Drug-Free Schools and Communities-State Grants	84.186	DR-S1 99	<u>1,828</u>	<u>0</u>	<u>13,527</u>	<u>0</u>
Total United States Department of Education			<u>619,769</u>	<u>0</u>	<u>500,202</u>	<u>0</u>
United States Department Of Agriculture						
Passed-through Ohio Department of Education						
Child Nutrition Cluster:						
National School Lunch Program	10.555	03/04-PU 98/99	202,769	0	202,769	0
National School Breakfast Program	10.553	05-PU 00 98/99	49,594	0	49,594	0
Food Distribution Program	10.550	N/A	<u>0</u>	<u>\$21,074</u>	<u>0</u>	<u>\$28,365</u>
Total Nutrition Cluster/Total United States Department of Agriculture			<u>252,363</u>	<u>21,074</u>	<u>252,363</u>	<u>28,365</u>
Total Federal Financial Assistance			<u>\$872,132</u>	<u>\$21,074</u>	<u>\$752,565</u>	<u>\$28,365</u>

The notes to the Schedule of Federal Awards, Receipts, and Expenditures are an integral part of this statement.

Clearview Local School District
Notes to the Schedule of Federal Awards Receipts and Expenditures
For The Year Ended June 30, 1999

Note 1 - Basis of Presentation

The accompanying Schedule of Federal Awards Receipts and Expenditures (Schedule) includes the federal grant activity of the District and is presented on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

Note 2 - Food Distribution

Nonmonetary assistance received from the U.S. Department of Agriculture is reported in the Schedule at the fair market value of the food commodities received and consumed. At June 30, 1999, the District's food commodities inventory was \$3,493.

N/A - Not applicable

CFDA - Catalog of Federal Domestic Assistance



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building, 12th Floor
615 Superior Avenue, N. W.
Cleveland, Ohio 44113

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(800) 626-2297

Facsimile (216) 787-3361

www.auditor.state.oh.us

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Clearview Local School District
Lorain County
4700 Broadway Avenue
Lorain, Ohio 44052

To The Board of Education:

We have audited the financial statements of the Clearview Local School District, Lorain County, Ohio, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 7, 1999 in which we noted that the District changed its accounting for investments and employees deferred compensation plans. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

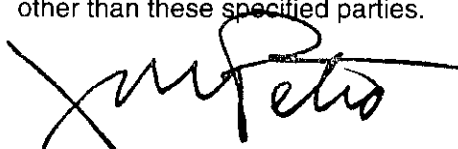
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated December 7, 1999.

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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 7, 1999.

Clearview Local School District
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petros", written over a horizontal line.

JIM PETROS
Auditor of State

December 7, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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615 Superior Avenue, N. W.
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Clearview Local School District
Lorain County
4700 Broadway Avenue
Lorain, Ohio 44052

To The Board of Education:

Compliance

We have audited the compliance of the Clearview Local School District, Lorain County, Ohio, (the District) with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance 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, 1999.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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

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

JIM PETRO
Auditor of State

December 7, 1999

**Clearview Local School District
Schedule of Findings
OMB CIRCULAR A-133 § .505
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 (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other 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
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster: National School Lunch Program - CFDA 10.555 School Breakfast Program - CFDA 10.553 Food Distribution - CFDA 10.550
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A > \$300,000 Type B - all other programs
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**Clearview Local School District
Schedule of Prior Audit Findings
OMB CIRCULAR A -133 § .315 (b)
June 30, 1998**

FINDING NUMBER: 1998-10847-001

FINDING SUMMARY: 7 CFR 245.6a requires that a School Food Authority must verify the information presented on a sample of the applications that it has approved for free or reduced-price meals. Applications were not sampled to inspect or verify applicant income.

FULLY CORRECTED?: Yes. The District implemented procedures to ensure that the required verifications will be made.

FORM **SF-SAC**
(8-97)U.S. DEPARTMENT OF COMMERCE - BUREAU OF THE CENSUS
ACTING AS COLLECTING AGENT FOR
OFFICE OF MANAGEMENT AND BUDGET**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 Month Day Year 06/30/1999		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 <u>346000658</u> 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 Clearview Local School District		a. Auditor name JIM PETRO, Auditor of State	
b. Auditee address (Number and street) 4700 Broadway Avenue City Lorain State OH ZIP Code 44052-		b. Auditor address (Number and street) 88 East Broad Street City Columbus State OH ZIP Code 43216	
c. Auditee contact Name Kent R. Zeman Title Treasurer		c. Auditor contact Name Pete Giesswein Title Senior Deputy Auditor	
d. Auditee contact telephone (440)233-6446		d. Auditor contact telephone (216)787-3665	
e. Auditee contact FAX (Optional) (440)233-6034		e. Auditor contact FAX (Optional) (216)787-3361	
f. Auditee contact E-mail (Optional) CVIEW KZ@LEECA3.OHIO.GOV		f. Auditor contact E-mail (Optional) PAGiesswein@auditor.state.oh.us	
g. AUDITEE CERTIFICATION STATEMENT- This is to certify that, to the best of my knowledge and belief, the auditee has: (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. <i>Kent R. Zeman</i> Signature of certifying official Date Month Day Year / /		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. <i>Jim Petro</i> Signature of auditor Date Month Day Year 12/28/99	
Name/Title of certifying official Kent R. Zeman, Treasurer			

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 | 83 <input type="checkbox"/> Federal Emergency Management Agency | 16 <input type="checkbox"/> Justice | 08 <input type="checkbox"/> Peace Corps |
| 02 <input type="checkbox"/> Agency for International Development | 34 <input type="checkbox"/> Federal Mediation and Conciliation Service | 17 <input type="checkbox"/> Labor | 59 <input type="checkbox"/> Small Business Administration |
| 10 <input type="checkbox"/> Agriculture | 39 <input type="checkbox"/> General Services Administration | 43 <input type="checkbox"/> National Aeronautics and Space Administration | 96 <input type="checkbox"/> Social Security Administration |
| 11 <input type="checkbox"/> Commerce | 93 <input type="checkbox"/> Health and Human Services | 89 <input type="checkbox"/> National Archives and Records Administration | 19 <input type="checkbox"/> State |
| 94 <input type="checkbox"/> Corporation for National and Community Service | 14 <input type="checkbox"/> Housing and Urban Development | 05 <input type="checkbox"/> National Endowment for the Arts | 20 <input type="checkbox"/> Transportation |
| 12 <input type="checkbox"/> Defense | 03 <input type="checkbox"/> Institute for Museum Services | 06 <input type="checkbox"/> National Endowment for the Humanities | 21 <input type="checkbox"/> Treasury |
| 84 <input checked="" type="checkbox"/> Education | 04 <input type="checkbox"/> Inter-American Foundation | 47 <input type="checkbox"/> National Science Foundation | 82 <input type="checkbox"/> United States Information Agency |
| 81 <input type="checkbox"/> Energy | 15 <input type="checkbox"/> Interior | 07 <input type="checkbox"/> Office of National Drug Control Policy | 64 <input type="checkbox"/> Veterans Affairs |
| 66 <input type="checkbox"/> Environmental Protection Agency | | | <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 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 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 Yes 2 No

4. Are there any audit findings required to be reported under § ____ .510(a) ?
 1 Yes 2 No

5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)

- | | | | |
|--|--|---|--|
| 01 <input type="checkbox"/> African Development Foundation | 83 <input type="checkbox"/> Federal Emergency Management Agency | 16 <input type="checkbox"/> Justice | 08 <input type="checkbox"/> Peace Corps |
| 02 <input type="checkbox"/> Agency for International Development | 34 <input type="checkbox"/> Federal Mediation and Conciliation Service | 17 <input type="checkbox"/> Labor | 59 <input type="checkbox"/> Small Business Administration |
| 10 <input type="checkbox"/> Agriculture | 39 <input type="checkbox"/> General Services Administration | 43 <input type="checkbox"/> National Aeronautics and Space Administration | 96 <input type="checkbox"/> Social Security Administration |
| 11 <input type="checkbox"/> Commerce | 93 <input type="checkbox"/> Health and Human Services | 89 <input type="checkbox"/> National Archives and Records Administration | 19 <input type="checkbox"/> State |
| 94 <input type="checkbox"/> Corporation for National and Community Service | 14 <input type="checkbox"/> Housing and Urban Development | 05 <input type="checkbox"/> National Endowment for the Arts | 20 <input type="checkbox"/> Transportation |
| 12 <input type="checkbox"/> Defense | 03 <input type="checkbox"/> Institute for Museum Services | 06 <input type="checkbox"/> National Endowment for the Humanities | 21 <input type="checkbox"/> Treasury |
| 84 <input type="checkbox"/> Education | 04 <input type="checkbox"/> Inter-American Foundation | 47 <input type="checkbox"/> National Science Foundation | 82 <input type="checkbox"/> United States Information Agency |
| 81 <input type="checkbox"/> Energy | 15 <input type="checkbox"/> Interior | 07 <input type="checkbox"/> Office of National Drug Control Policy | 64 <input type="checkbox"/> Veterans Affairs |
| 66 <input type="checkbox"/> Environmental Protection Agency | | | 00 <input checked="" type="checkbox"/> None |
| | | | <input type="checkbox"/> Other - Specify: |

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)
10.550	Food Distribution	\$ 28,365	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$ N/A	1 <input type="checkbox"/> A <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A
10.553	School Breakfast Program	\$ 49,594	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$ N/A	1 <input type="checkbox"/> A <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A
10.555	National School Lunch Program	\$ 202,769	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$ N/A	1 <input type="checkbox"/> A <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A
84.027	Special Education Grants to States	\$ 45,120	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$ N/A	1 <input type="checkbox"/> A <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A
84.010	Title I Grants to Local Educational Agencies	\$ 437,781	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$ N/A	1 <input type="checkbox"/> A <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A
84.276	Goals 2000 State and Local Education Systemic Improvement	\$	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$	1 <input type="checkbox"/> A <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A
84.298	Innovative Education Program Strategies	\$ 3,774	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$ N/A	1 <input type="checkbox"/> A <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A
84.186	Safe and Drug-Free Schools and Communities State Grants	\$ 13,527	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$ N/A	1 <input type="checkbox"/> A <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A
84.048	Vocational Education Basic Grants to States	\$	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$	1 <input type="checkbox"/> A <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A
84.XXX	Telecommunications/E-Rate	\$	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$	1 <input type="checkbox"/> A <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A
TOTAL FEDERAL AWARDS EXPENDED ->		780,930	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS				

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

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
JIM PETRO, AUDITOR OF STATE

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

CLEARVIEW LOCAL SCHOOL DISTRICT
LORAIN 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 06 2000