



**TOLEDO CITY SCHOOL DISTRICT
LUCAS COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDING JUNE 30, 1999**

FEDERAL GRANTOR		Federal	Federal	Non-Cash	Federal	Non-Cash
<i>Pass-Through Grantor</i>	Pass Through	CFDA	Federal	Non-Cash	Federal	Non-Cash
Program Title/Fund Number Location	Entity Number	Number	Receipts	Receipts	Disbursements	Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE						
<i>Passed Through the Ohio Department of Education</i>						
Child Nutrition Cluster:						
Food Distribution		10.550		\$ 360,941		\$ 384,664
School Breakfast Program(006)	05-PU-00-99	10.553	\$ 855,051		\$ 855,051	
National School Lunch Program(006)	03,04-PU-00-99	10.555	4,314,445		4,314,445	
Summer Food Service Program for Children (006)	114587-24-AD-00-99	10.559	54,042		54,042	
Total Nutrition Cluster			5,223,538	360,941	5,223,538	384,664
Child and Adult Care Food Program	05-PU-00-96	10.558	28,709		28,709	
Total United States Department of Agriculture			5,252,247	360,941	5,252,247	384,664
UNITED STATES DEPARTMENT OF LABOR						
<i>Passed Through the Toledo Area Private Industry Council:</i>						
Job Training Partnership Act						
(502-5029)	109-33-98	17.250	5,963		5,963	
(502-5028)	109-33-97	17.250	724,685		724,685	
(502-6359)	109-22-98	17.250	115,381		115,381	
(502-6358)	109-22-97	17.250	4,402		4,402	
(502-6369)	147-20-98	17.250	41,242		41,242	
(502-6368)	147-20-97	17.250	9,990		9,990	
(502-6379)	106-20-98	17.250	31,957		31,957	
(502-6388)	106-20-97	17.250	21,146		21,146	
Total Toledo Area Private Industry Council			954,766		954,766	
<i>Passed Through the Ohio Department of Education</i>						
Employment Services and Job Training Pilot and Demonstration Programs						
(524-7809)	WK-BE-00-99	17.249	2,000		2,000	
(599-5927)	WK-BE-00-98	17.249	494		1,118	
Total Ohio Department of Education			2,494		3,118	
Total United States Department of Labor			957,260		957,884	

(Continued)

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDING JUNE 30, 1999
(Continued)**

FEDERAL GRANTOR <i>Pass-Through Grantor</i>	Pass Through	Federal	Federal	Non-Cash	Federal	Non-Cash
Program Title/Fund Number Location	Entity Number	CFDA Number	Receipts	Receipts	Disbursements	Disbursements
UNITED STATES DEPARTMENT OF EDUCATION						
Direct Programs:						
Impact Aid (001-DAG9)		84.041	76,815		76,815	
Federal Pell Grant Program: (022-2209)	1346401449A2	84.063	168,894		168,894	
(022-2208)	1346401449A2	84.063	18,652		18,652	
(022-2259)	1346401449A3	84.063	52,609		52,609	
Total Direct Programs			316,970		316,970	
<i>Passed Through the Ohio Department of Education</i>						
Special Education Cluster:						
Special Education-Grants to States: (516-6878)	6B-SF-98P	84.027	1,017,158		343,726	
(516-6879)	6B-SF-99P	84.027	1,776,298		1,950,044	
Special Education-Preschool Grants: (587-5878)	PG-S1-98P	84.173			28,043	
(587-5879)	PG-S1-99P	84.173	195,126		198,437	
Total Special Education Cluster			2,988,582		2,520,250	
Adult Education-State Grant Program:						
(501-9118)	AB-SS-96	84.002	6,750		6,750	
(501-9128)	AB-S1-98	84.002	151,465		102,673	
(501-9129)	AB-S1-99	84.002	173,600		173,600	
Title 1 Grants to Local Education Agencies:						
(572-5709)	C1-S1-99	84.010	11,979,456		8,448,404	
(572-5708)	C1-S1-98	84.010	1,394,399		4,201,413	
(572-5789)		84.010	1,930,316		1,542,402	
(572-57X8)	C1-SD-98	84.010			6,820	
(572-57X9)	C1-S1-99	84.010	24,930		9,900	
(572-5798)		84.010			55,813	
(572-5799)		84.010	93,128		43,091	
Federal E-Rate Program (588-2569)		84.XXX	248,346		248,346	

(Continued)

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDING JUNE 30, 1999
(Continued)**

FEDERAL GRANTOR <i>Pass-Through Grantor</i>		Federal	Federal	Non-Cash	Federal	Non-Cash
Program Title/Fund Number Location	Pass Through Entity Number	CFDA Number	Receipts	Receipts	Disbursements	Disbursements
Immigrant Education (577-5779)		84.162	9,514			
Migrant Education-Basic State Formula Grant:						
(505-8199)	MG-S1-99	84.011	20,000		21,810	
(505-8198)	MG-S1-98	84.011			2,550	
Vocational Education-Basic Grants to States:						
(524-2848)	20-C1-98	84.048	148,564		226,313	
(524-2849)	20-C1-99	84.048	914,271		936,483	
(524-2859)	20-C2-99	84.048	102,215		84,868	
(524-2858)	20-C2-98	84.048	3,316		19,380	
(524-2868)	2A-05-98	84.048	4,263		4,534	
(524-2869)	20-C1-99	84.048	42,500		41,201	
(524-2879)		84.048	3,970		1,497	
(524-5818)	VESP-CG-98	84.048	15,226		6,968	
(524-5819)	VESP-CG-99	84.048	155,907		171,867	
(524-7709)	20-A4-00	84.048			54,462	
(524-7708)	20-A4-00	84.048	6,606		11,118	
(524-8259)	20-A4-00	84.048	98,416		100,868	
Innovative Education Program Strategies:						
(573-0009)	C2-S1-99	84.298	209,180		244,049	
(573-7XX9)	C2-S1-99	84.298	80,800		6,231	
(573-7XX8)	C2-S1-98	84.298			25,255	
(573-0008)	C2-S1-98	84.298	20,013		90,377	
Eisenhower Professional Development State Grants:						
(514-54C8)	MS-S1-97	84.281			135,988	
(514-54C9)	MS-S1-98	84.281	42,381		41,157	
(514-5419)	MS-S1-99	84.281	84,255		19,237	
(514-5418)	MS-S1-98	84.281	65,469		102,091	
(514-6418)	MS-S1-98	84.281			1,000	
(514-8419)	MS-S1-98	84.281	9,500			

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**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDING JUNE 30, 1999
(Continued)**

FEDERAL GRANTOR <i>Pass-Through Grantor</i>		Federal				
Program Title/Fund Number Location	Pass Through Entity Number	CFDA Number	Federal Receipts	Non-Cash Receipts	Federal Disbursements	Non-Cash Disbursements
Safe and Drug Free Schools and Communities-						
State Grants:						
(584-6609)	DR-S1-99	84.186	153,923		263,805	
(584-66C9)	DR-S1-99	84.186	47,862		74,305	
(584-66C8)	DR-S1-98	84.186			41,924	
(584-6608)	DR-S1-98	84.186	115,748		93,596	
Education for Homeless Children and Youth:						
(572-7208)	HC-S1-98	84.196	6,444		13,129	
(572-7209)	HC-S1-99	84.196	84,516		71,164	
Capital Expenses:						
(572-5718)	CX-S1-98	84.216	188,732		19,351	
(572-5717)	CX-S1-97	84.216	5,368		159,385	
(572-5719)	CX-S1-99	84.216	270,019			
(572-7219)	CX-S1-98	84.216	8,170		7,636	
Even Start-State Educational Agencies						
(572-57C9)	EV-S2-98	84.213	14,569		14,367	
(572-57C8)	EV-S2-97	84.213			6,553	
(572-5728)	EV-S1-98	84.213	15,792		62,859	
(572-5729)	EV-S2-99	84.213	127,277		94,316	
Proficiency Intervention						
(599-2489)		84.276	62,550			
(599-9459)	G2-S1-99	84.276	199,000		160,841	
(599-9808)	G2-S4-98	84.276			1,043	
Fund for the Improvement of Education						
(599-5969)		84.215	11,667		5,623	
Technology Literacy Fund Grants						
(599-9908)	TF-S2-98	84.318			67,500	
(599-9909)	TF-S2-99	84.318	100,000		100,000	
(599-9919)	TF-S2-98	84.318	62,500		10,178	
(599-9939)	TF-S2-98	84.318	150,000			
Total Ohio Department of Education			22,651,475		20,976,341	

(Continued)

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDING JUNE 30, 1999
(Continued)**

FEDERAL GRANTOR <i>Pass-Through Grantor</i>	Pass Through	Federal	Federal	Non-Cash	Federal	Non-Cash
Program Title/Fund Number Location	Entity Number	CFDA Number	Receipts	Receipts	Disbursements	Disbursements
<i>Passed Through the Ohio Department of Education and then Through the University of Toledo</i>						
Vocational Education						
(524-2559)	20-C1-98	84.048	2,380			
(524-3569)		84.048	2,380			
(524-5209)		84.048	2,380			
(524-5569)		84.048	2,380			
Total University of Toledo			9,520			
<i>Passed Through the Ohio Department of Education and then Through the Franklin County Educational Service Center</i>						
Javits Gifted and Talented Students Education Grant						
(599-5920)	N/A	84.206	5,000			
Total United States Department of Education			22,665,995		20,976,341	
NATIONAL SCIENCE FOUNDATION						
<i>Passed Through the University of Toledo</i>						
Education and Human Resources						
(599-4589)		47.076	470,190		470,189	
Total National Science Foundation			470,190		470,189	
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
<i>Passed Through the Ohio Space Grant Consortium</i>						
Space Grants						
(599-4589)		43.XXX	1,000		705	
(599-4589)		43.XXX	1,000			
Total National Aeronautics and Space Administration			2,000		705	
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed Through the Ohio Department of Education</i>						
Adult Basic Education - Jobs:						
(599-5938)	JB-S1-98	93.021	3		4	

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**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDING JUNE 30, 1999
(Continued)**

FEDERAL GRANTOR <i>Pass-Through Grantor</i>	Pass Through	Federal	Federal	Non-Cash	Federal	Non-Cash
Program Title/Fund Number Location	Entity Number	CFDA Number	Receipts	Receipts	Disbursements	Disbursements
Work Keys Welfare to Work (599-5948)		93.561	2,731		2,721	
School Age Care Expansion (599-5958)		93.575	84,135		104,592	
(599-5959)		93.575	210,504		146,974	
Total United States Department of Health and Human Services			297,373		254,291	
TOTAL FEDERAL ASSISTANCE			\$ 29,962,035	\$ 360,941	\$ 28,228,627	\$ 384,664

The accompanying notes are an integral part of this schedule.

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
SUPPLEMENTAL SCHEDULE**

**ANALYSIS OF COST LIMITATIONS AND BUDGET TO ACTUAL, TITLE IIB
FOR THE YEAR ENDING JUNE 30, 1999**

CONTRACT NUMBER/COST CENTER	ALLOCATION	ADMINISTRATION MAXIMUM 20%	DIRECT TRAINING MINIMUM 50%	TRAINING RELATED & SUPPORTIVE SERVICES MAXIMUM 30%
<hr/>				
109-33-98 / (502-5029)				
<hr/>				
TOTAL ALLOCATION	\$106,266.00	\$16,895.00	\$89,371.00	\$0.00
Expenditures:				
Expenditures 7/1/97-6/30/98	\$5,963.00	\$0.00	\$5,963.00	\$0.00
Total Expenditures	5,963.00	0.00	5,963.00	0.00
Unexpended Funds	<u>\$100,303.00</u>	<u>\$16,895.00</u>	<u>\$83,408.00</u>	<u>\$0.00</u>
Percentage of Allocation	94.39%	100.00%	93.33%	0.00%
Budget:				
FY99 Budget	\$5,963.00	\$0.00	\$5,963.00	\$0.00
Percentage Achieved	100.00%	0.00%	100.00%	0.00%
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109-33-97 / (502-5028)				
<hr/>				
TOTAL ALLOCATION	\$880,000.00	\$48,444.00	\$831,556.00	\$0.00
Expenditures:				
Expenditures 7/1/97-6/30/98	\$23,454.00	\$0.00	\$23,454.00	\$0.00
Expenditures 7/1/98-6/30/99	724,685.00	32,788.00	691,897.00	0.00
Total Expenditures	748,139.00	32,788.00	715,351.00	0.00
Unexpended Funds	131,861.00	15,656.00	116,205.00	0.00
Percentage of Allocation	14.98%	32.32%	13.97%	0.00%
Budget:				
FY99 Budget	\$724,685.00	\$32,788.00	\$691,897.00	\$0.00
Percentage Achieved	100.00%	100.00%	100.00%	0.00%

(Continued)

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
SUPPLEMENTAL SCHEDULE**

**ANALYSIS OF COST LIMITATIONS AND BUDGET TO ACTUAL, TITLE IIB
FOR THE YEAR ENDING JUNE 30, 1999
(Continued)**

CONTRACT NUMBER/COST CENTER	ALLOCATION	ADMINISTRATION MAXIMUM 20%	DIRECT TRAINING MINIMUM 50%	TRAINING RELATED & SUPPORTIVE SERVICES MAXIMUM 30%
<hr/>				
109-22-98 / (502-6359)				
TOTAL ALLOCATION	\$127,700.00	<u>\$8,900.00</u>	<u>\$118,800.00</u>	<u>\$0.00</u>
Expenditures:				
Expenditures 7/1/98-6/30/99	<u>\$115,381.00</u>	<u>\$0.00</u>	<u>\$115,381.00</u>	<u>\$0.00</u>
Total Expenditures	115,381.00	0.00	115,381.00	0.00
Unexpended Funds	12,319.00	\$8,900.00	\$3,419.00	\$0.00
Percentage of Allocation	9.65%	100.00%	2.88%	0.00%
Budget:				
FY99 Budget	115,381.00	\$0.00	\$115,381.00	\$0.00
Percentage Achieved	100.00%	0.00%	100.00%	100.00%
<hr/>				
109-22-97 / (502-6358)				
TOTAL ALLOCATION	<u>\$140,775.00</u>	<u>\$8,584.00</u>	<u>\$109,145.00</u>	<u>\$23,046.00</u>
Expenditures:				
Expenditures 7/1/97-6/30/98	\$119,803.00	\$0.00	\$109,145.00	\$10,658.00
Expenditures 7/1/98-6/30/99	<u>4,402.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,402.00</u>
Total Expenditures	119,803.00	0.00	109,145.00	10,658.00
Unexpended Funds	20,972.00	8,584.00	0.00	12,388.00
Percentage of Allocation	14.90%	100.00%	0.00%	53.75%
Budget:				
FY99 Budget	\$4,402.00	\$0.00	\$0.00	\$4,402.00
Percentage Achieved	100.00%	100.00%	100.00%	100.00%

(Continued)

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
SUPPLEMENTAL SCHEDULE**

**ANALYSIS OF COST LIMITATIONS AND BUDGET TO ACTUAL, TITLE IIB
FOR THE YEAR ENDING JUNE 30, 1999
(Continued)**

CONTRACT NUMBER/COST CENTER	ALLOCATION	ADMINISTRATION MAXIMUM 20%	DIRECT TRAINING MINIMUM 50%	TRAINING RELATED & SUPPORTIVE SERVICES MAXIMUM 30%
<hr/>				
147-20-98 / (502-6369)				
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TOTAL ALLOCATION	\$80,000.00	\$11,611.00	\$68,389.00	\$0.00
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Expenditures:				
Expenditures 7/1/98-6/30/99	\$41,242.00	\$0.00	\$41,242.00	\$0.00
Total Expenditures	41,242.00	0.00	41,242.00	0.00
Unexpended Funds	<u>\$27,147.00</u>	<u>\$0.00</u>	<u>\$27,147.00</u>	<u>\$0.00</u>
Percentage of Allocation	33.93%	0.00%	39.69%	0.00%
Budget:				
FY99 Budget	\$41,242.00	\$0.00	\$41,242.00	\$0.00
Percentage Achieved	100.00%	0.00%	100.00%	100.00%
<hr/>				
147-20-97 / (502-6368)				
<hr/>				
TOTAL ALLOCATION	\$77,700.00	\$0.00	\$68,054.00	\$9,646.00
<hr/>				
Expenditures:				
Expenditures 7/1/97-6/30/98	\$59,278.00	\$0.00	\$59,278.00	\$0.00
Expenditures 7/1/98-6/30/99	9,990.00	0.00	2,357.00	7,633.00
Total Expenditures	69,268.00	0.00	61,635.00	7,633.00
Unexpended Funds	<u>\$8,432.00</u>	<u>\$0.00</u>	<u>\$6,419.00</u>	<u>\$2,013.00</u>
Percentage of Allocation	10.85%	0.00%	9.43%	20.87%
Budget:				
FY99 Budget	\$9,990.00	\$0.00	\$2,357.00	\$7,633.00
Percentage Achieved	100.00%	0.00%	100.00%	100.00%

(Continued)

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
SUPPLEMENTAL SCHEDULE**

**ANALYSIS OF COST LIMITATIONS AND BUDGET TO ACTUAL, TITLE IIB
FOR THE YEAR ENDING JUNE 30, 1999
(Continued)**

CONTRACT NUMBER/COST CENTER	ALLOCATION	ADMINISTRATION MAXIMUM 20%	DIRECT TRAINING MINIMUM 50%	TRAINING RELATED & SUPPORTIVE SERVICES MAXIMUM 30%
<hr/>				
106-20-98 / (502-6379)				
TOTAL ALLOCATION	\$50,000.00	\$0.00	\$50,000.00	\$0.00
Expenditures:				
Expenditures 7/1/98-6/30/99	\$31,957.00	\$0.00	\$31,957.00	\$0.00
Total Expenditures	31,957.00	0.00	31,957.00	0.00
Unexpended Funds	<u>\$18,043.00</u>	<u>\$0.00</u>	<u>\$18,043.00</u>	<u>\$0.00</u>
Percentage of Allocation	36.09%	0.00%	36.09%	0.00%
Budget:				
FY99 Budget	\$31,957.00	\$0.00	\$31,957.00	\$0.00
Percentage Achieved	100.00%	0.00%	100.00%	100.00%
<hr/>				
106-20-97 / (502-6388)				
TOTAL ALLOCATION	\$120,200.00	\$0.00	\$120,200.00	\$0.00
Expenditures:				
Expenditures 7/1/97-6/30/98	\$18,722.00	\$0.00	\$18,722.00	\$0.00
Expenditures 7/1/98-6/30/99	21,146.00	0.00	21,146.00	0.00
Total Expenditures	39,868.00	0.00	39,868.00	0.00
Unexpended Funds	<u>\$80,332.00</u>	<u>\$0.00</u>	<u>\$80,332.00</u>	<u>\$0.00</u>
Percentage of Allocation	66.83%	0.00%	66.83%	0.00%
Budget:				
FY99 Budget	\$21,146.00	\$0.00	\$21,146.00	\$0.00
Percentage Achieved	100.00%	0.00%	100.00%	100.00%

Cost Categories - As defined by JTPA Regulations (627.440 and 631.13)

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
SUPPLEMENTAL SCHEDULE**

**SCHEDULE OF VARIANCES
FOR THE YEAR ENDING JUNE 30, 1999**

<u>TITLE IIB</u>	<u>PRIVATE INDUSTRY COUNCIL</u>	<u>AUDIT REPORT</u>	<u>VARIANCE</u>
109-33-98	\$5,963.00	\$5,963.00	\$0.00
109-33-97	724,685.00	724,685.00	0.00
109-22-98	115,381.00	115,381.00	0.00
109-22-97	4,402.00	4,402.00	0.00
147-20-98	41,242.00	41,242.00	0.00
147-20-97	9,990.00	9,990.00	0.00
106-20-98	31,957.00	31,957.00	0.00
106-20-97	<u>21,146.00</u>	<u>21,146.00</u>	<u>0.00</u>
Total CFDA #17.250	<u><u>\$954,766.00</u></u>	<u><u>\$954,766.00</u></u>	<u><u>\$0.00</u></u>

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 1999**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting, except expenditures of assistance passed through the Ohio Bureau of Employment Services Job Training Partnership Programs are presented on an accrual basis.

NOTE B - FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 1999, the District had no significant food commodities in inventory.

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Toledo City School District
Lucas County
420 East Manhattan Boulevard
Toledo, Ohio 43608-1294

To the Board of Education:

We have audited the general-purpose financial statements of the Toledo City School District, Lucas County, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated January 4, 2000, in which we indicated the District changed its method of accounting for 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 an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated January 4, 2000.

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 January 4, 2000.

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

Jim Petro
Auditor of State

January 4, 2000



STATE OF OHIO
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Toledo City School District
Lucas County
420 East Manhattan Boulevard
Toledo, Ohio 43608-1294

To the Board of Education:

Compliance

We have audited the compliance of the Toledo City School District, Lucas County, (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 each of its major federal programs for the year ended June 30, 1999. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of 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 each of its major federal programs for the year ended June 30, 1999. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 1999-10148-001.

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.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the District's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item *1999-10148-001*.

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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 4, 2000.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the District as of and for the year ended June 30, 1999, and have issued our report thereon dated January 4, 2000, in which we indicated the District changed its method of accounting for deferred compensation plans. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 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.

Toledo City School District
Lucas County
Report of Independent Accountants on Compliance with Requirements
Applicable to the Major Federal Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133
Page 3

This report is intended for the information and use of the audit committee, 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.

Jim Petro
Auditor of State

January 4, 2000

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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 noncompliance 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?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	Yes
(d)(1)(vii)	Major Programs (list): <ul style="list-style-type: none"> • CFDA #10.550, 553, 555, 559 • CFDA #17.250 • CFDA #47.076 • CFDA #84.186 	<ul style="list-style-type: none"> • Child Nutrition Cluster • Job Training Partnership Act • Education and Human Resources • Safe and Drug Free Schools and Communities-State Grants
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$858,399 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. Title of Finding

Finding Number	1999-10148-001
CFDA Title and Number	CFDA #10.550, 553, 555, 559 Child Nutrition Cluster
Federal Award Number / Year	#03,04,05-PU-00-99
Federal Agency	United States Department of Agriculture
Pass-Through Agency	Ohio Department of Education

Questioned cost

7 CFR, Section 245.6 (1-1-98), requires applications for free and reduced price meals be approved and kept on file at the School Food Authority (SFA). Further, the Ohio Department of Education (ODOE) requires applications to be kept on file for a minimum of three years, unless the child is pre-certified by the Department of Human Services, in which case no application is required. Toledo City School District policy requires applications be maintained at each individual school.

The application establishes that the child's family income and family size place the child within eligibility standards for free or reduced price meals.

Eligibility applications at one participating school were not maintained for audit inspection. Approximately 63.4% of free meals and 0% of reduced price meals are pre-certified at that school, resulting in the inability to substantiate amounts claimed for reimbursement of 36.6% of the amount claimed for free meals (\$12,120) and 100% of the amount claimed for reduced price meals (\$476) for a total questioned cost of \$12,596.

This situation was isolated to one school out of 64 participating schools within the Toledo City School District and was due to a change in personnel at the school. The District has issued a memo to all schools reminding them of records retention requirements.

CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 1999

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
1999-10148-001	This situation was isolated to one school out of 64 participating schools within the Toledo City School District and was due to a change in personnel at the school. The District has issued a memo to all schools reminding them of records retention requirements.	January 2000	David R. Nissen, Treasurer



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TOLEDO CITY SCHOOL DISTRICT

LUCAS 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 1, 2000**