

GARY B. FINK & ASSOCIATES, INC.

CERTIFIED PUBLIC ACCOUNTANTS

WADSWORTH CITY SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 1999

Professional Accountants
for
Professional Government

WADSWORTH CITY SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 1999

WADSWORTH CITY SCHOOL DISTRICT
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

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

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Board of Education
Wadsworth City School District
Wadsworth, Ohio 44281

We have reviewed the Independent Auditor's Report of the Wadsworth City School District, Medina County, prepared by Gary B. Fink & Associates, Inc., for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Wadsworth City School District is responsible for compliance with these laws and regulations.

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

JIM PETRO
Auditor of State

February 25, 2000

INDEPENDENT AUDITOR'S REPORT

111 Broad Street
Suite 206
Wadsworth, Ohio 44281
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Board of Education
Wadsworth City School District
Wadsworth, Ohio 44281

We have audited the accompanying general purpose financial statements of the Wadsworth City School 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 Wadsworth City School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated January 24, 2000 on our consideration of the Wadsworth City School 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 taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.



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

January 24, 2000

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GENERAL PURPOSE FINANCIAL STATEMENTS

Wadsworth City School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Investments	\$3,511,047	\$400,205	\$12,438,513	\$26,284,355
Receivables:				
Taxes	13,425,780	0	995,399	644,017
Accounts	13,342	3,167	0	0
Intergovernmental	950	6,998	0	0
Accrued Interest	44,234	0	0	251,584
Interfund Receivable	0	0	216,599	0
Prepaid Items	31,031	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	174,187	0	0	0
Cash and Cash Equivalents - With Fiscal Agent	0	0	43,380	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<u>Other Debits:</u>				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$17,200,571	\$410,370	\$13,693,891	\$27,179,956
<u>Liabilities, Fund Equity and Other Credits</u>				
<u>Liabilities:</u>				
Accounts Payable	\$157,857	\$20,025	\$0	\$783,834
Accrued Wages	1,397,202	26,656	0	0
Compensated Absences Payable	159,416	5,766	0	0
Interfund Payable	0	78,765	0	130,859
Intergovernmental Payable	364,239	11,157	0	0
Deferred Revenue	12,771,673	0	896,199	620,158
Undistributed Monies	0	0	0	0
Claims Payable	0	0	0	0
Due to Students	0	0	0	0
Accrued Interest Payable	0	0	43,380	0
Notes Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	14,850,387	142,369	939,579	1,534,851
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	456,897	112,416	0	22,565,206
Reserved for Prepaid Items	31,031	0	0	0
Reserved for Debt Service Principal	0	0	12,655,112	0
Reserved for Property Taxes	654,107	0	99,200	23,859
Reserved for Budget Stabilization	174,187	0	0	0
Unreserved:				
Undesignated	1,033,962	155,585	0	3,056,040
Total Fund Equity and Other Credits	2,350,184	268,001	12,754,312	25,645,105
Total Liabilities, Fund Equity and Other Credits	\$17,200,571	\$410,370	\$13,693,891	\$27,179,956

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$108,575	\$343,074	\$88,767	\$0	\$0	\$43,174,536
0	0	0	0	0	15,065,196
4,026	2,170	30,036	0	0	52,741
0	0	0	0	0	7,948
0	0	0	0	0	295,818
0	0	0	0	0	216,599
0	0	0	0	0	31,031
0	0	0	0	0	174,187
0	0	0	0	0	43,380
12,448	0	0	0	0	12,448
1,183	0	0	0	0	1,183
135,378	0	0	31,339,480	0	31,474,858
0	0	0	0	12,754,312	12,754,312
0	0	0	0	29,848,898	29,848,898
<u>\$261,610</u>	<u>\$345,244</u>	<u>\$118,803</u>	<u>\$31,339,480</u>	<u>\$42,603,210</u>	<u>\$133,153,135</u>
\$16,284	\$7,081	\$3,436	\$0	\$0	\$988,517
16,082	0	6,037	0	0	1,445,977
53,707	0	2,637	0	2,723,710	2,945,236
0	0	6,975	0	0	216,599
109,624	0	2,607	0	259,500	747,127
6,401	0	0	0	0	14,294,431
0	0	49,621	0	0	49,621
0	109,922	0	0	0	109,922
0	0	47,490	0	0	47,490
0	0	0	0	0	43,380
0	0	0	0	12,000,000	12,000,000
0	0	0	0	27,620,000	27,620,000
202,098	117,003	118,803	0	42,603,210	60,508,300
0	0	0	31,339,480	0	31,339,480
59,512	228,241	0	0	0	287,753
0	0	0	0	0	23,134,519
0	0	0	0	0	31,031
0	0	0	0	0	12,655,112
0	0	0	0	0	777,166
0	0	0	0	0	174,187
0	0	0	0	0	4,245,587
59,512	228,241	0	31,339,480	0	72,644,835
<u>\$261,610</u>	<u>\$345,244</u>	<u>\$118,803</u>	<u>\$31,339,480</u>	<u>\$42,603,210</u>	<u>\$133,153,135</u>

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$12,612,973	\$0	\$1,290,387	\$601,467
Intergovernmental	9,022,133	1,190,565	148,981	389,874
Interest	291,472	2,043	20,479	1,061,737
Tuition and Fees	145,221	0	0	0
Rent	66,653	0	0	0
Extracurricular Activities	0	471,168	0	0
Gifts and Donations	0	0	0	66,185
Customer Services	8,977	0	0	0
Miscellaneous	57,680	14,690	0	0
Total Revenues	22,205,109	1,678,466	1,459,847	2,119,263
Expenditures:				
Current:				
Instruction:				
Regular	10,960,254	105,147	0	112,230
Special	1,219,461	229,438	0	0
Vocational	826,853	203,516	0	0
Other	152,188	0	0	0
Support Services:				
Pupils	1,256,619	231,242	0	33,311
Instructional Staff	816,651	251,004	0	0
Board of Education	231,591	0	0	0
Administration	1,686,404	248,557	0	0
Fiscal	532,716	0	22,786	13,039
Business	696	0	0	0
Operation and Maintenance of Plant	2,347,731	0	0	326,785
Pupil Transportation	1,182,238	7,658	0	0
Central	461,612	33,560	0	0
Operation of Non-Instructional Services	0	158,350	0	0
Extracurricular Activities	436,877	343,405	0	0
Capital Outlay	19,757	0	0	4,756,695
Debt Service:				
Principal	0	0	10,755,000	0
Interest	0	0	1,006,134	0
Total Expenditures	22,131,648	1,811,877	11,783,920	5,242,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	73,461	(133,411)	(10,324,073)	(3,122,797)
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets	12,650	0	0	0
Proceeds from Sale of Bonds	0	0	12,005,145	1,000,000
Proceeds from Sale of Long-Term Notes	0	0	0	12,000,000
Operating Transfers In	0	60,000	0	0
Operating Transfers Out	(60,000)	0	0	0
Total Other Financing Sources (Uses)	(47,350)	60,000	12,005,145	13,000,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	26,111	(73,411)	1,681,072	9,877,203
Fund Balances at Beginning of Year	2,335,873	341,412	11,073,240	15,767,903
Residual Equity Transfers	(11,800)	0	0	0
Fund Balances at End of Year	\$2,350,184	\$268,001	\$12,754,312	\$25,645,106

See accompanying notes to the general purpose financial statements

Totals
(Memorandum
Only)

\$14,504,827
10,751,553
1,375,731
145,221
66,653
471,168
66,185
8,977
72,370

27,462,685

11,177,631
1,448,899
1,030,369
152,188

1,521,172
1,067,655
231,591
1,934,961
568,541
696
2,674,516
1,189,396
495,172
158,350
780,282
4,776,452

10,755,000
1,006,134

40,969,505

(13,506,820)

12,650
13,005,145
12,000,000
60,000
(60,000)

25,017,795

11,510,975

29,518,428

(11,800)

\$41,017,603

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

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Intergovernmental	\$9,052,886	\$9,052,886	\$0
Interest	290,947	290,947	0
Tuition and Fees	142,204	142,204	0
Rent	66,653	66,653	0
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Customer Services	8,977	8,977	0
Property and Other Local Taxes	12,759,649	12,759,649	0
Miscellaneous	19,880	19,880	0
Total Revenues	22,341,196	22,341,196	0
Expenditures			
Current:			
Instruction:			
Regular	10,993,228	10,993,228	0
Special	1,188,452	1,188,452	0
Vocational	851,023	851,023	0
Other	130,356	130,356	0
Support services:			
Pupils	1,266,185	1,266,185	0
Instructional Staff	873,328	873,328	0
Board of Education	234,365	234,365	0
Administration	1,743,070	1,743,070	0
Fiscal	546,466	546,466	0
Business	696	696	0
Operation and Maintenance of Plant	2,605,653	2,605,653	0
Pupil Transportation	1,186,404	1,186,404	0
Central	461,613	461,613	0
Non-Instructional Services			
Extracurricular activities	441,207	441,207	0
Capital Outlay	47,753	47,753	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	22,569,799	22,569,799	0
(Deficiency) of Revenues (Under) Expenditures	(228,603)	(228,603)	0
Other Financing Sources and Uses			
Operating Transfers In	175,847	175,847	0
Proceeds from Sale of Bonds	125,000	125,000	0
Proceeds from Sale of Long-Term Notes	0	0	0
Proceeds from Sale of Fixed Assets	12,750	12,750	0
Refund of Prior Year Expenditures	47,916	47,916	0
Advances In	269,430	269,430	0
Operating Transfers Out	(247,647)	(247,647)	0
Refund of Prior Year Receipts	(30,713)	(30,713)	0
Advances Out	0	0	0
Total Other Financing Sources (Uses)	352,583	352,583	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	123,980	123,980	0
Fund Balances at Beginning of Year	2,631,924	2,631,924	0
Prior Year Encumbrances Appropriated	337,283	337,283	0
Fund Balances at End of Year	\$3,093,187	\$3,093,187	\$0

See accompanying notes to the general purpose financial statements

Special Revenue			Debt Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$1,194,998	\$1,194,998	\$0	\$148,981	\$148,981	\$0
2,175	2,175	0	20,982	20,982	0
0	0	0	0	0	0
0	0	0	0	0	0
470,839	470,839	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,262,855	1,262,855	0
14,690	14,690	0	0	0	0
<u>1,682,702</u>	<u>1,682,702</u>	<u>0</u>	<u>1,432,818</u>	<u>1,432,818</u>	<u>0</u>
111,723	111,723	0	0	0	0
223,714	223,714	0	0	0	0
235,065	235,065	0	0	0	0
0	0	0	0	0	0
237,158	237,158	0	0	0	0
254,834	254,834	0	0	0	0
0	0	0	0	0	0
263,457	263,457	0	0	0	0
0	0	0	22,786	22,786	0
0	0	0	0	0	0
0	0	0	0	0	0
6,698	6,698	0	0	0	0
34,523	34,523	0	0	0	0
192,618	192,618	0	0	0	0
369,353	369,353	0	0	0	0
0	0	0	0	0	0
0	0	0	10,755,000	10,755,000	0
0	0	0	1,076,841	1,076,841	0
<u>1,929,143</u>	<u>1,929,143</u>	<u>0</u>	<u>11,854,627</u>	<u>11,854,627</u>	<u>0</u>
<u>(246,441)</u>	<u>(246,441)</u>	<u>0</u>	<u>(10,421,809)</u>	<u>(10,421,809)</u>	<u>0</u>
60,000	60,000	0	0	0	0
0	0	0	12,048,525	12,048,525	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
78,765	78,765	0	13,692	13,692	0
0	0	0	0	0	0
(13,724)	(13,724)	0	0	0	0
<u>(31,427)</u>	<u>(31,427)</u>	<u>0</u>	<u>(230,291)</u>	<u>(230,291)</u>	<u>0</u>
<u>93,614</u>	<u>93,614</u>	<u>0</u>	<u>11,831,926</u>	<u>11,831,926</u>	<u>0</u>
<u>(152,827)</u>	<u>(152,827)</u>	<u>0</u>	<u>1,410,117</u>	<u>1,410,117</u>	<u>0</u>
304,022	304,022	0	11,071,775	11,071,775	0
117,475	117,475	0	0	0	0
<u>\$268,670</u>	<u>\$268,670</u>	<u>\$0</u>	<u>\$12,481,892</u>	<u>\$12,481,892</u>	<u>\$0</u>

(continued)

Wadsworth City School District
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual (Budget Basis) (Continued)**
All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999

	Capital Projects		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Intergovernmental	\$389,874	\$389,874	\$0
Interest	981,529	981,529	0
Tuition and Fees	0	0	0
Rent	0	0	0
Extracurricular Activities	0	0	0
Gifts and Donations	66,184	66,184	0
Customer Services	0	0	0
Property and Other Local Taxes	607,031	607,031	0
Miscellaneous	0	0	0
Total Revenues	2,044,618	2,044,618	0
Expenditures			
Current:			
Instruction:			
Regular	129,396	129,396	0
Special	0	0	0
Vocational	0	0	0
Other	0	0	0
Support services:			
Pupils	33,311	33,311	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	13,039	13,039	0
Business	0	0	0
Operation and Maintenance of Plant	1,129,795	1,129,795	0
Pupil Transportation	0	0	0
Central	0	0	0
Non-Instructional Services	0	0	0
Extracurricular activities	0	0	0
Capital Outlay	26,565,414	26,565,414	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	27,870,955	27,870,955	0
(Deficiency) of Revenues (Under) Expenditures	(25,826,337)	(25,826,337)	0
Other Financing Sources and Uses			
Operating Transfers In	0	0	0
Proceeds from Sale of Bonds	1,000,000	1,000,000	0
Proceeds from Sale of Long-Term Notes	12,000,000	12,000,000	0
Proceeds from Sale of Fixed Assets	0	0	0
Refund of Prior Year Expenditures	0	0	0
Advances In	130,858	130,858	0
Operating Transfers Out	0	0	0
Refund of Prior Year Receipts	0	0	0
Advances Out	(234,951)	(234,951)	0
Total Other Financing Sources (Uses)	12,895,907	12,895,907	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(12,930,430)	(12,930,430)	0
Fund Balances at Beginning of Year	11,223,828	11,223,828	0
Prior Year Encumbrances Appropriated	4,583,603	4,583,603	0
Fund Balances at End of Year	\$2,877,001	\$2,877,001	\$0

<u>Totals (Memorandum Only)</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$10,786,739	\$10,786,739	\$0
1,295,633	1,295,633	0
142,204	142,204	0
66,653	66,653	0
470,839	470,839	0
66,184	66,184	0
8,977	8,977	0
14,629,535	14,629,535	0
34,570	34,570	0
<u>27,501,334</u>	<u>27,501,334</u>	<u>0</u>
11,234,347	11,234,347	0
1,412,166	1,412,166	0
1,086,088	1,086,088	0
130,356	130,356	0
1,536,654	1,536,654	0
1,128,162	1,128,162	0
234,365	234,365	0
2,006,527	2,006,527	0
582,291	582,291	0
696	696	0
3,735,448	3,735,448	0
1,193,102	1,193,102	0
496,136	496,136	0
192,618	192,618	0
810,560	810,560	0
26,613,167	26,613,167	0
10,755,000	10,755,000	0
1,076,841	1,076,841	0
<u>64,224,524</u>	<u>64,224,524</u>	<u>0</u>
<u>(36,723,190)</u>	<u>(36,723,190)</u>	<u>0</u>
235,847	235,847	0
13,173,525	13,173,525	0
12,000,000	12,000,000	0
12,750	12,750	0
47,916	47,916	0
492,745	492,745	0
(247,647)	(247,647)	0
(44,437)	(44,437)	0
(496,669)	(496,669)	0
<u>25,174,030</u>	<u>25,174,030</u>	<u>0</u>
<u>(11,549,160)</u>	<u>(11,549,160)</u>	<u>0</u>
25,231,549	25,231,549	0
5,038,361	5,038,361	0
<u>\$18,720,750</u>	<u>\$18,720,750</u>	<u>\$0</u>

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Windsorworth City School District
 Combined Statement of Revenues,
 Expenses and Changes in Fund Equity
 All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 1999

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
<u>Operating Revenues:</u>			
Tuition	\$9,871	\$0	\$9,871
Sales	740,586	0	740,586
Charges for Services	175,473	1,598,853	1,774,326
Other Operating Revenues	0	165	165
Total Operating Revenues	<u>925,930</u>	<u>1,599,018</u>	<u>2,524,948</u>
<u>Operating Expenses:</u>			
Salaries	345,926	0	345,926
Fringe Benefits	161,065	0	161,065
Purchased Services	11,267	218,746	230,013
Materials and Supplies	204,237	1,510	205,747
Cost of Sales	392,906	0	392,906
Depreciation	20,350	0	20,350
Capital Outlay	3,207	0	3,207
Claims	0	1,366,409	1,366,409
Other	0	4,081	4,081
Total Operating Expenses	<u>1,138,958</u>	<u>1,590,746</u>	<u>2,729,704</u>
Operating Income (Loss)	<u>(213,028)</u>	<u>8,272</u>	<u>(204,756)</u>
<u>Non-Operating Revenue (Expenses):</u>			
Federal Donated Commodities	45,300	0	45,300
Interest	0	16,990	16,990
Federal and State Subsidies	127,603	0	127,603
Loss on Sale of Fixed Assets	(143)	0	(143)
Total Non-Operating Revenue (Expenses)	<u>172,760</u>	<u>16,990</u>	<u>189,750</u>
Net Income (Loss)	<u>(40,268)</u>	<u>25,262</u>	<u>(15,006)</u>
Retained Earnings at Beginning of Year	<u>99,780</u>	<u>202,979</u>	<u>302,759</u>
Retained Earnings at End of Year	<u>\$59,512</u>	<u>\$228,241</u>	<u>\$287,753</u>

See accompanying notes to the general purpose financial statements

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The Board of School District
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 1999

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
Cash Flows from Operating Activities:			
Cash Received from Customers	\$913,049	\$1,598,854	\$2,511,903
Cash Received from Tuition Payments	9,871	0	9,871
Cash Received from Other Operating Sources	2,415	31,708	34,123
Cash Payments to Suppliers for Goods and Services	(556,770)	(217,256)	(774,026)
Cash Payments to Employees for Services	(349,155)	0	(349,155)
Cash Payments for Employee Benefits	(121,161)	0	(121,161)
Cash Payments for Claims	0	(1,399,524)	(1,399,524)
Net Cash Provided by (Used for) Operating Activities	(101,751)	13,782	(87,969)
Cash Flows from Noncapital Financing Activities:			
Operating Grants Received	127,603	0	127,603
Net Cash Provided by Noncapital Financing Activities	127,603	0	127,603
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	(18,129)	0	(18,129)
Net Cash Used for Capital and Related Financing Activities	(18,129)	0	(18,129)
Cash Flows from Investing Activities:			
Interest on Investments	0	16,990	16,990
Net Cash Provided by Investing Activities	0	16,990	16,990
Net Increase in Cash and Cash Equivalents	7,723	30,772	38,495
Cash and Cash Equivalents at Beginning of Year	100,852	312,302	413,154
Cash and Cash Equivalents at End of Year	\$108,575	\$343,074	\$451,649
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	(213,028)	8,272	(204,756)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	20,350	0	20,350
Donated Commodities Used During Year	45,300	0	45,300
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(3,009)	(2,170)	(5,179)
(Increase) Decrease in Inventory Held for Resale	3	0	3
(Increase) Decrease in Materials and Supplies Inventory	(115)	0	(115)
Increase/(Decrease) in Accounts Payable	12,074	7,081	19,155
Increase/(Decrease) in Accrued Wages	2,649	0	2,649
Increase/(Decrease) in Compensated Absences Payable	10,204	0	10,204
Increase/(Decrease) in Intergovernmental Payable	23,821	0	23,821
Increase/(Decrease) in Claims Payable	0	599	599
Total Adjustments	111,277	5,510	116,787
Net Cash Provided by (Used for) Operating Activities	(\$101,751)	\$13,782	(\$87,969)

See accompanying notes to the general purpose financial statements

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WADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - DESCRIPTION OF THE ENTITY

Wadsworth City School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally-elected five-member board of education and provides educational services as mandated by state and/or federal agencies. This Board controls the District's seven instructional/support facilities staffed by 182 noncertificated employees, 262 certificated full-time teaching personnel and 15 administrators who provide services to 4,051 students and other community members.

The District provides more than instruction to its students. These additional services include student guidance, extracurricular activities, educational media, and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education through the budgetary process. These District operations will be included as part of the reporting entity.

The District adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, under which the financial statements include all the organizations, activities, functions and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District.

On this basis, the combined financial statements include all of the funds and account groups of the District over which the Board of Education exercises operating control. Management has determined the District has no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PRESENTATION - FUND ACCOUNTING

The District uses funds and account groups to report its financial position and results of operation. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

WADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the District are grouped into the following generic fund types under the broad fund categories: governmental, proprietary, and fiduciary. Each category is then divided into various fund types. The following are the fund types and account groups utilized by the District.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related current liabilities, except those accounted for in proprietary and fiduciary funds, are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position. The following are the District's governmental fund types:

General Fund

The general fund is the operating fund of the District and is used to account for all financial resources except those required by law or contract to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds

Special revenue funds are used to account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be expended for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

WADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District applies all applicable pronouncements from the Financial Accounting Standards Board (FASB) in accounting and reporting issued on or before November 30, 1989 for its proprietary operations. The following are the District's proprietary fund types:

Enterprise Funds

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

Internal Service Fund

This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District on a cost-reimbursement basis.

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. The following are the District's fiduciary funds.

Agency Funds

These funds are purely custodial in nature and thus do not involve measurement of results of operations.

ACCOUNT GROUPS

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

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the District, other than those accounted for in the proprietary funds.

WADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General Long-Term Obligations Account Group

This account group is established to account for all long-term obligations of the District except those accounted for in the proprietary funds.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used for reporting purposes by all governmental fund types and agency funds. Under this basis of accounting, the District recognizes revenues in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectable within the current fiscal period or soon enough thereafter to be used to pay liabilities of the current fiscal period, which the District considers to be sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, grants and entitlements, and student fees.

The District reports deferred revenue on its Combined Balance Sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the Combined Balance Sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue. In the proprietary fund types, unused donated commodities are reported as deferred revenue.

WADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred except for unmatured principal and interest on general long-term debt which is reported only when due, and the costs of accumulated unpaid vacation and sick leave which are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriation Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds other than agency funds are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each function for the general fund and at the fund level for all other funds. Budgetary modifications may only be made by resolution of the Board of Education.

Tax Budget

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. No later than January 20, the Board-adopted budget is filed with the Medina County Budget Commission for rate determination.

WADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts set forth in the final amended Certificate issued for fiscal 1999.

Appropriations

By October 1, the annual Appropriation Resolution must be legally enacted by the Board of Education which becomes the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter total object appropriations within functions must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. Appropriation amounts are as originally adopted, or as amended by the Board of Education throughout the year by supplemental appropriations which either reallocate or increase the original appropriated amounts. During the year, supplemental appropriation measures were legally enacted, however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

ANDSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated.

CASH AND INVESTMENTS

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through District records. Each funds' interest in the pool is presented as "Equity in Pooled Cash and Investments" on the Combined Balance Sheet.

During fiscal year 1999, investments were limited to STAR Ohio, repurchase agreements, treasury notes, federal agency securities, commercial paper, bankers acceptances and certificates of deposit.

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

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

Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue has been credited to the general fund, district managed student activity funds, auxiliary services, permanent improvement fund, construction fund and the employee benefits self insurance fund. Interest credited to these funds during fiscal year 1999 amounted to \$1,317,728 which includes \$118,121 assigned from other District funds.

For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are not considered to be cash equivalents.

WADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

RESTRICTED ASSETS

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. A fund balance reserve has also been established.

Restricted assets in the debt service fund represent cash set aside to pay accrued interest received from the \$13,000,000 in bonds issued.

INVENTORY

Inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items are recorded as an expense in the proprietary fund types when used. Inventories of proprietary funds consist of donated food, purchased food and non-food supplies, and they are expensed when used.

FIXED ASSETS AND DEPRECIATION

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All purchased fixed assets are valued at cost when historical records are available and at an estimated historical cost when no historical cost records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The District does not possess any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. In proprietary funds, improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life of five to twenty years.

PREPAIDS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

WADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

COMPENSATED ABSENCES

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16 "Accounting for Compensated Absences". Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met.

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

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

Further, sick leave and other similar compensated absences are those which are contingent on a specific event that is outside the control of the employer and employee. The District has accrued a liability for these compensated absences using the termination method when the following criterion is met. The benefits are earned by the employees and it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' retirement ("termination payments").

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

For governmental funds, that portion of the liability which is non-current is reported in the general long-term obligations account group. Liabilities that use current expendable resources are recorded in the fund from which the employees are paid. In proprietary funds, compensated absences are expensed when earned and the entire amount is reported as a fund liability.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will be paid with current available expendable financial resources. In general, payments made more than sixty days after year end are considered not to have been made with current available financial resources. Bonds and long-term loans are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

MADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FUND BALANCE RESERVES

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations or 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, prepaids, debt service principal, property taxes and budget stabilization.

INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

ESTIMATES

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

TOTAL COLUMNS ON GENERAL PURPOSE FINANCIAL STATEMENTS

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

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

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

WADSWORTH CITY SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING (continued)

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund types (GAAP basis).

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 (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types				
	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$ 26,111	\$ (73,411)	\$ 1,681,072	\$ 9,877,203
Net Adjustments for Revenue Accruals	754,380	83,002	30,042	56,212
Net Adjustments for Expenditure Accruals	(65,068)	(30,865)	(300,997)	402,661
Encumbrances	(591,443)	(131,553)	-0-	(23,266,506)
Budget Basis	<u>\$ 123,980</u>	<u>\$(152,827)</u>	<u>\$(1,410,117)</u>	<u>\$(12,930,430)</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits and investments are restricted by provisions of the Ohio Revised Code. State statutes require the classification of monies held by the District 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 District 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 the Board of Education has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

WADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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 may 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. Interim moneys are permitted to be 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 issuances 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;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

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

WADSWORTH CITY SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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.

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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Purchase Agreements".

Deposits

At fiscal year end, the carrying amount of the District's deposits was \$(237,061) and the bank balance was \$(259,665). Of the bank balance:

1. \$75,068 was covered by federal depository insurance.

Investments

The District's investments are categorized below to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District's name. Investments in STAR Ohio are not categorized since they are not evidenced by securities that exist in physical or book entry form.

Category	1	Carrying Amount 2	3	Fair Value
U.S. Treasury Note	\$ -0-	\$ 741,656	\$ -0-	\$ 739,734
FNMA Discount Notes	-0-	8,137,427	-0-	8,158,201
FHLMC Discount Notes	-0-	11,867,416	-0-	11,934,478
Commercial Paper	-0-	4,705,771	-0-	5,743,919
FFCB Bonds	-0-	1,797,035	-0-	1,794,985
FHLB Bonds	-0-	8,283,179	-0-	8,244,300
FHLB Discount Notes	-0-	1,953,882	-0-	1,989,940
FFCB Discount Notes	-0-	400,500	-0-	399,468
Bankers Acceptances	-0-	988,047	-0-	993,483
Certificates of Deposit	-0-	1,500,000	-0-	1,500,000
	<u>\$ -0-</u>	<u>\$40,374,913</u>	<u>\$ -0-</u>	<u>41,498,508</u>
STAR Ohio				<u>2,130,656</u>
Total Investments				<u>\$43,629,164</u>

WADSWORTH CITY SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

The classification of cash and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between the classifications of cash and investments on the combined statements and the classification per GASB Statement No. 3 is as follows:

	Cash, Cash Equivalents and Investments/Deposits	Investments
GASB Statement No. 9	\$43,392,103	\$ -0-
Investments:		
U.S. Treasury Note	(739,734)	739,734
FNMA Discount Notes	(8,158,201)	8,158,201
FHLMC Discount Notes	(11,934,478)	11,934,478
Commercial Paper	(5,743,919)	5,743,919
STAR Ohio	(2,130,656)	2,130,656
FFCB Bonds	(1,794,985)	1,794,985
FHLB Bonds	(8,244,300)	8,244,300
FHLB Discount Notes	(1,989,940)	1,989,940
FFCB Discount Notes	(399,468)	399,468
Bankers Acceptance	(993,483)	993,483
Certificates of Deposit	<u>(1,500,000)</u>	<u>1,500,000</u>
GASB Statement No. 3	<u>\$ (237,061)</u>	<u>\$43,629,164</u>

NOTE 5 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a subsequent fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal property used in business located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1, and are collected with real property taxes. Assessed values for real property are established by State law at 35% of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 100% of true value (with certain exceptions) and on real property at 35% of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the previous year. Tangible personal property assessments are 25% of true value.

WADSWORTH CITY SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 5 - PROPERTY TAXES (continued)

The assessed values upon which the fiscal year 1999 taxes were collected are:

	1998 Second Half Valuations		1999 First Half Valuations	
	Amount	Percent	Amount	Percent
Real Property:				
Commercial/Industrial	\$ 52,874,450	12.80%	\$ 54,252,380	12.44%
Residential/Agricultural	287,147,190	69.48	305,980,250	70.10
Public Utilities	16,970	0.01	11,520	0.01
Minerals	91,580	0.01	98,100	0.01
Tangible Personal Property:				
Public Utilities	34,830,610	8.43	42,129,194	9.66
General	38,334,590	9.27	33,989,700	7.79
Total	<u>\$413,295,390</u>	<u>100.00%</u>	<u>\$436,461,144</u>	<u>100.00%</u>
Tax rate per \$1,000 of Assessed Valuation	\$64.00		\$65.50	

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The Medina County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically advances to the District their portion of the taxes collected. The amount available to the District as an advance at June 30, 1999, is available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and 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 intended 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 as an advance at June 30 and reflected in 1999 revenue was \$777,166. \$654,107 was available to the General Fund, \$23,859 was available to the Permanent Improvement Fund and \$99,200 was available to the Debt Service Fund.

NOTE 6 - RECEIVABLES

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

WADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 7 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 1999 follows:

Furniture and Equipment	\$468,313
Less: Accumulated Depreciation	<u>332,935</u>
Net Fixed Assets	<u>\$135,378</u>

A summary of the changes in general fixed assets follows:

	Balance 7/01/98	Additions	Reductions	Balance 6/30/99
Land, Buildings and Improvements	\$17,114,257	\$1,339,198	\$ 69,999	\$18,383,456
Furniture and Equipment	5,882,737	567,126	256,800	6,193,063
Vehicles	1,583,936	286,085	199,160	1,670,861
Textbooks	1,246,238	-0-	-0-	1,246,238
Construction in Progress	<u>-0-</u>	<u>3,845,862</u>	<u>-0-</u>	<u>3,845,862</u>
Total	<u>\$25,827,168</u>	<u>\$6,038,271</u>	<u>\$525,959</u>	<u>\$31,339,480</u>

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

The account balances by fund of "Interfund Receivable" and "Interfund Payable" as of June 30, 1999 are as follows:

Fund	Interfund Receivable	Interfund Payable
Special Revenue Funds:		
Career Development		\$ 6,998
Miscellaneous Grants		44,257
Vocational Education		<u>27,510</u>
Total Special Revenue Funds		<u>78,765</u>
Debt Service Fund:		
Bond Fund	\$216,599	
Capital Project Fund:		
Permanent Improvements		<u>130,859</u>
Agency Fund:		
Student Activities		<u>6,975</u>
Total All Funds	<u>\$216,599</u>	<u>\$216,599</u>

WADSWORTH CITY SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 9 - RISK MANAGEMENT

The District maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, the District has established a health care self-insurance fund. The purpose of this fund is to pay medical, dental and vision claims of the District's employees and their covered dependents in order to minimize the total cost of annual health care insurance. The District has contracted with a third party administrator to direct this program. Self-insurance is in effect for aggregate claims up to \$2,006,644 per year. Claims in excess of this aggregate stop loss are insured by private carriers.

The claims liability of \$109,922 reported in the fund at June 30, 1999, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims to be reported. The costs are to be based on the estimated ultimate cost of settling the claims using past experience adjusted for current trends, and any other factors that would modify past experience. The claims liability is based on an estimate supplied by the District's third party administrator. A summary of the fund's claims liability in 1998 and 1999 were as follows:

	Balance Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
1998	\$ 50,424	\$1,519,180	\$1,460,281	\$109,323
1999	109,323	1,400,123	1,399,524	109,922

NOTE 10 - LONG-TERM DEBT OBLIGATIONS

Changes in long-term obligations of the District from July 1, 1998 through June 30, 1999, were as follows:

Issue	Balance 7/01/98	Additions	Reductions	Balance 6/30/99
GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP				
Bond Anticipation Notes	\$10,500,000	\$12,000,000	\$10,500,000	\$12,000,000
General Obligation Bonds:				
Bus Purchase Bonds 5.00%; 06/98 - 04/02	125,000	-0-	30,000	95,000
School Improvement Bonds - 1998 3.75% - 5.125%; 04/98 - 12/22	14,750,000	-0-	225,000	14,525,000
School Improvement Bonds - 1999 3.30% - 4.40%; 05/99 - 12/22	-0-	13,000,000	-0-	13,000,000
Compensated Absences Payable	2,723,188	6,406	5,884	2,723,710
Intergovernmental Payable	<u>174,601</u>	<u>259,500</u>	<u>174,601</u>	<u>259,500</u>
Total General Long-Term Obligations	<u>\$28,272,789</u>	<u>\$25,265,906</u>	<u>\$10,935,485</u>	<u>\$42,603,210</u>

WABSWORTH CITY SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 10 - LONG-TERM DEBT OBLIGATIONS (continued)

General Obligation Bonds will be paid from the Debt Service Fund. Intergovernmental Payables and Compensated Absences will be paid from the fund from which the employee is paid.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 1999, are as follows:

Fiscal Year Ending June 30,	Bus Purchase Bonds	School Improvement Bonds - 1998	School Improvement Bonds - 1999	Total
2000	\$ 34,750	\$ 894,626	\$ 883,435	\$ 1,812,811
2001	35,250	989,374	791,600	1,816,224
2002	34,650	1,064,826	807,925	1,907,401
2003	-0-	1,096,964	823,075	1,920,039
2004	-0-	1,097,282	837,000	1,934,282
Thereafter	-0-	20,721,102	19,275,308	40,016,410
Total	104,650	25,864,174	23,418,343	49,407,167
Less Interest	<u>9,650</u>	<u>11,339,174</u>	<u>10,418,343</u>	<u>21,787,167</u>
Principal	<u>\$ 95,000</u>	<u>\$14,525,000</u>	<u>\$ 13,000,000</u>	<u>\$27,620,000</u>

All bonds are backed by the full faith and credit of the District.

A summary of the changes in the District's bond anticipation notes payable for the year ended June 30, 1999 is as follows:

	Balance 7/01/98	Issues	Principal Retirements	Balance 6/30/99
4.375% Bond Anticipation Note Matures 08/04/98	\$ 4,900,000	\$ -0-	\$ 4,900,000	\$ -0-
4.23% Bond Anticipation Note Matures 08/04/98	5,600,000	-0-	5,600,000	-0-
4.23% Bond Anticipation Note Matures 08/04/98	<u>-0-</u>	<u>12,000,000</u>	<u>-0-</u>	<u>12,000,000</u>
Total Notes Payable	<u>\$10,500,000</u>	<u>\$12,000,000</u>	<u>\$10,500,000</u>	<u>\$12,000,000</u>

The net proceeds of the bond anticipation notes were used to provided funding for capital improvements and have been reported in the Capital Projects Fund. They will be repaid by the General Obligation Bonds issued by the District in April, 1999.

WADSWORTH CITY SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 11 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains four enterprise funds; Food Service, Uniform School Supplies, Vocational Education and Adult Community Education which are operated on a sales basis. The table below reflects the more significant financial data relating to the enterprise fund of the District for the fiscal year ended June 30, 1999:

	Food Service	Uniform School Supplies	Vocational Education	Adult Community Education	Total
Operating revenues	\$ 724,033	\$ 16,509	\$175,517	\$ 9,871	\$ 925,930
Operating expenses before depreciation	937,728	14,051	155,027	11,802	1,118,608
Depreciation expense	20,350	-0-	-0-	-0-	20,350
Operating income/(loss)	(234,045)	2,458	20,490	(1,931)	(213,028)
Federal donated commodities	45,300	-0-	-0-	-0-	45,300
Operating grants	127,603	-0-	-0-	-0-	127,603
Loss on Sale of Fixed Assets	(143)	-0-	-0-	-0-	(143)
Net Income/(Loss)	(61,285)	2,458	20,490	(1,931)	(40,268)
Net working capital	(158,666)	19,690	51,522	11,588	(75,866)
Total assets	(168,895)	19,690	60,951	12,074	261,610
Total equity	(23,287)	19,690	51,522	11,587	59,512
Encumbrances at June 30, 1999	\$ 302	\$ 7,920	\$ 4,135	\$ -0-	\$ 12,357

NOTE 12 - RETIREMENT PLANS

A. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6.0 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions to STRS for the fiscal years ended June 30, 1999, 1998 and 1997 were \$730,268, \$1,264,464 and \$1,346,837, respectively; 83.0 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$290,180 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

NOTE 12 - RETIREMENT PLANS (continued)

B. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1999, 9.02 percent was the portion to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998 and 1997 were \$272,293, \$268,344 and \$259,730, respectively; 27.2 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$480,471 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and general long-term debt account group.

NOTE 13 - POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 1998 (the latest information available), the Board allocated employer contributions equal to 3.5 percent of covered payroll to the Health Care Reserve Fund. Beginning July 1, 1998, this allocation was increased to 8.0 percent. For the District, this amount equaled \$973,576 during fiscal 1999.

WADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 13 - POSTEMPLOYMENT BENEFITS (continued)

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

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 4.98 percent of covered payroll, an increase from 4.21 percent for fiscal year 1998. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998, were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998 (latest information available) SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the District, the amount to fund health care benefits, including the surcharge, equaled \$387,292 during the 1999 fiscal year.

NOTE 14 - OTHER EMPLOYEE BENEFITS - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees working eleven or twelve months per year are entitled to an annual vacation, with pay, based on length of service in the District. Accumulated unused vacation time is paid to employees upon termination of employment. Teachers and administrators working fewer than ten months per year do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated for an unlimited number of days. For certified and classified employees, payment is made at retirement for accumulated sick leave and is determined by taking one-fourth of the first 120 days and adding to that one day for every eight days of the next 240 days accumulated, to a maximum of 60 days. The amount of accumulated vacation and sick leave of employees paid from governmental funds that meets the eligibility requirements has been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave for employees paid from proprietary funds is recorded as an expense and liability of the fund when earned.

WADSWORTH CITY SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 15 - COMPLIANCE AND ACCOUNTABILITY

The following funds had a deficit fund balance caused by the recognition of expenditures and/or nonrecognition of revenues on the modified accrual basis of accounting which substantially differs from those recognized on the cash basis of accounting:

Fund	Deficit
Special Revenue:	
Teacher Development	\$ 388
Miscellaneous State Grants	17,707
Title VI-B	1,553
Vocational Education	31,454
Title I	11,531
Title VI	427
EHA Preschool	84
Enterprise:	
Food Services	23,288

NOTE 16 - CONSTRUCTION COMMITMENTS

The following construction commitments at June 30, 1999 will be financed with Capital Project Funds revenues:

Project	Total Authorized Cost	Expended To 06/30/99	Balance 6/30/99
"New" Franklin Elementary School	\$ 4,424,125	\$ 608,450	\$ 3,815,675
"New" Lincoln Elementary School	3,939,887	1,070,439	2,869,448
Grades 7/8 Building	16,482,027	1,122,524	15,359,503
Wadsworth High School Music/Science Addition	2,136,145	882,912	1,253,233
Wadsworth High School Baseball Field	195,538	161,538	34,000

WADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 17 - JOINTLY GOVERNED ORGANIZATION

The Midland Council of Governments is a jointly governed organization among twenty-two Boards of Education. The Council of Governments was formed to provide efficient and cost effective computer and data processing services to member Boards. Financial support for the Council of Governments is provided by member fees levied according to the number of students within each member's respective District. The Executive Committee determines and sets the fees for all services.

Representation on the Midland Council of Governments consists of one member appointed by each member Board of Education. The representative shall be either the Superintendent, Assistant Superintendent or Treasurer of the member District Board of Education. The Council of Governments is governed by the Executive Committee who are elected for two year terms except the position of Fiscal Agent Superintendent which is a permanent appointment. The Executive Committee consists of seven members. The members are two Superintendents, two Treasurers, two members-at-large and the Fiscal Agent Superintendent.

NOTE 18 - 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 agreements and is subject to audit by the grantor agencies. 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.

Litigation

The District is not currently a party to any legal proceedings which would have a material impact on the financial statements.

NOTE 19 - SCHOOL FUNDING DECISION

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 Ohio General Assembly 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 \$7,883,389 of school foundation support in total, with \$7,823,916 reported in the general fund and \$59,473 reported in the special revenue funds.

WADSWORTH CITY SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 19 - SCHOOL FUNDING DECISION (continued)

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

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

NOTE 20 - REQUIRED BUDGET SET ASIDES

The District is required by State statute to annually set aside an amount based on prior fiscal year revenues for the purpose of textbooks and other instructional materials and an additional amount for capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years. Amounts are also to be set aside for the budget stabilization reserve if the District's base amount use for the yearly set aside calculation increases three percent or more from the prior fiscal year. This amount is to be included in the budget stabilization reserve.

The following information describes the changes in the amounts set aside for budget stabilization, textbooks and instructional materials and capital improvements from the end of the prior fiscal year to the end of the current fiscal year.

	Textbooks	Capital Improvements	Budget Stabilization	Totals
Set Aside Cash Balance as of June 30, 1998	\$ -0-	\$ -0-	\$130,677	\$ 130,677
Current Year Set-Aside Requirement	348,374	348,374	43,510	740,258
Current Year Offsets	(59,473)	(649,728)	-0-	(709,201)
Qualifying Disbursements	(683,470)	(831,987)	-0-	(1,515,457)
Total	<u>(394,569)</u>	<u>(1,133,341)</u>	<u>174,187</u>	<u>(1,353,723)</u>
Cash Balance Carried Forward to Fiscal Year 2000	-0-	-0-	174,187	174,187

Since the qualifying expenditures and offsets for the textbook/instructional materials and capital improvements set aside exceeded the fiscal year 1999 requirement, no amount will be carried forward to the next fiscal year.

WADSWORTH CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 20 - REQUIRED BUDGET SET ASIDES (continued)

Amounts remaining at year-end have been set aside to satisfy statutory requirements are represented by cash and cash equivalents and are presented as restricted assets on the Combined Balance Sheet. Corresponding amounts are reported as reserves of fund balance.

NOTE 21 - 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 governments operations.

The District has completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as being financial reporting, payroll, employee benefits and educational statistics reporting [through the State's Education Management and Information System (EMIS)] and the energy management system.

The District uses the State of Ohio Uniform School Accounting System software for its financial reporting, the State of Ohio Uniform Payroll System Software for its payroll and employee benefits and the State of Ohio Equipment Inventory System for its fixed assets accounting. The State is responsible for remediating these systems.

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

Medina County collects property taxes for distribution to the District. Medina County is responsible for remediating its tax collection system.

Heating systems have been assessed and it has been determined that the systems will not be affected.

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.

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

Board of Education
Wadsworth City School District
Wadsworth, Ohio 44281

We have audited the general purpose financial statements of the Wadsworth City School District, as of and for the year ended June 30, 1999, and have issued our report thereon dated January 24, 2000. 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 Wadsworth City School District's general purpose 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 general purpose 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 non-compliance that we have reported to management of the Wadsworth City School District in a separate letter dated January 24, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Wadsworth City School District's *internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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 general purpose 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 operations that we consider to be material weaknesses.

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

This report is intended for the information and use of management and federal
awarding agencies and pass-through entities, and is not intended to be and should
not be used by anyone other than these specified parties.



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

January 24, 2000

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

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

Board of Education
Wadsworth City School District
Wadsworth, Ohio 44281

Compliance

We have audited the compliance of the Wadsworth City School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The Wadsworth City School 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 its major federal programs is the responsibility of the Wadsworth City School District's management. Our responsibility is to express an opinion on the Wadsworth City School District's compliance based on our audit.

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

In our opinion, the Wadsworth City School 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 Wadsworth City School 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 Wadsworth City School 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 and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



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

January 24, 2000

Wadsworth City School District
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1999

Federal Grantor/ Sub Grantor Program Title	CFDA Number	Pass-Through Grantor's Number	Receipts	Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed Through Ohio Department of Education:</i>				
Title 1 Grants to Local Educational Agencies	84.010	C1-S1-98	\$0	\$24,968
Title 1 Grants to Local Educational Agencies	84.010	C1-S1-98C	3,868	3,868
Title 1 Grants to Local Educational Agencies	84.010	C1-S1-98	<u>305,282</u>	<u>293,359</u>
Total Title 1 Grants to Local Educational Agencies			<u>309,150</u>	<u>322,195</u>
Special Education Cluster:				
Special Education - Title VI-B	84.027	6B-SF98	0	11,696
Special Education - Title VI-B	84.027	6B-SF99	<u>189,476</u>	<u>183,998</u>
Total Title VI-B			<u>189,476</u>	<u>195,694</u>
Special Education - Preschool Handicapped	84.173	PG-S1-98	0	13,338
Special Education - Preschool Handicapped	84.173	PG-S1-99	<u>13,182</u>	<u>12,306</u>
Total Preschool Handicapped			<u>13,182</u>	<u>25,644</u>
Total Special Education Cluster			202,658	221,338
Vocational Education Basic Grant	84.048	20-A598	24,572	14,914
Vocational Education Basic Grant	84.048	20-A599	<u>155,892</u>	<u>176,784</u>
Total Vocational Education Basic Grant			<u>180,464</u>	<u>191,698</u>
Safe and Drug-Free Schools and Communities	84.186	DR-S198	0	5,636
Safe and Drug-Free Schools and Communities	84.186	DR-S199	<u>20,248</u>	<u>17,020</u>
Total Safe and Drug-Free Schools and Communities			<u>20,248</u>	<u>22,656</u>
Eisenhower Professional Development	84.281	MS-S197C	0	40
Eisenhower Professional Development	84.281	MS-S198	7,234	2,360
Eisenhower Professional Development	84.281	MS-S198C	0	4,054
Eisenhower Professional Development	84.281	MS-S199	<u>15,311</u>	<u>0</u>
Total Eisenhower Professional Development			<u>22,545</u>	<u>6,454</u>
Innovative Education Program Strategies	84.298	C2-S198	0	4,176
Innovative Education Program Strategies	84.298	C2-S199	<u>16,727</u>	<u>16,303</u>
Total Innovative Education Program Strategies			<u>16,727</u>	<u>20,479</u>
Total U.S. Department of Education			<u>751,792</u>	<u>784,820</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
<i>Passed Through Ohio Department of Education:</i>				
Employment Services and Job Training - School to Work	17.249	WK-BE-00	<u>15,000</u>	<u>978</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Education:</i>				
Nutrition Cluster:				
Food Distribution Program	10.550	N/A	39,990	41,552
School Breakfast Program	10.553	N/A	8,013	8,013
National School Lunch Program	10.555	N/A	<u>113,526</u>	<u>113,526</u>
Total U.S. Department of Agriculture - Nutrition Cluster			<u>161,529</u>	<u>163,091</u>
Total Federal Assistance			<u>\$928,321</u>	<u>\$948,889</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the Wadsworth City School District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

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

WADSWORTH CITY SCHOOL DISTRICT

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?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for the major federal program?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for the major federal program?	No
(d)(1)(v)	Type of Major Program Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §510?	No

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

(d)(1)(vii)	Major Program:	Title I Grants to Local Educational Agencies, CFDA #84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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

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

RETURN TO

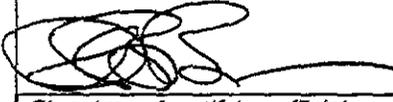
Single Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132

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

1. Fiscal year ending date for this submission mm/dd/yy 6/30/99		2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit	
3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 3 <input type="checkbox"/> Other - Months 2 <input type="checkbox"/> Biennial		FEDERAL GOVERNMENT USE ONLY	4. Date received by Federal clearinghouse
5. Employer Identification Number (EIN) a. Auditee EIN 34-6002962 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 WADSWORTH CITY SCHOOL DISTRICT		a. Auditor name GARY B. FINK & ASSOCIATES, INC.	
b. Auditee address (Number and street) Street 360 COLLEGE STREET City WADSWORTH State OHIO ZIP Code 44281		b. Auditor address (Number and street) Street 111 BROAD STREET, SUITE 206 City WADSWORTH State OHIO ZIP Code 44281	
c. Auditee contact Name DAN BOWMAN Title TREASURER		c. Auditor contact Name SCOTT K. VARNEY Title MANAGER	
d. Auditee contact telephone 330-335-1303		d. Auditor contact telephone 330-336-1706	
e. Auditee contact FAX (Optional) 330-334-5242		e. Auditor contact FAX (Optional) 330-334-5118	
f. Auditee contact E-mail (Optional) WADC_BOWMAN@TCCSA.OHIO.GOV		f. Auditor contact E-mail (Optional) GBFINC@AOL.COM	

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.

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.


 Signature of certifying official Date Month Day Year
TREASURER **DANIEL B. BOWMAN**
 Name/Title of certifying official


 Signature of auditor Date Month Day Year
1/28/2000

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 |
| 34 <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 |
| 68 <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 |
| 88 <input type="checkbox"/> Environmental Protection Agency | | | 00 <input checked="" type="checkbox"/> None |
| | | | <input type="checkbox"/> Other - Specify: |

PART III FEDERAL PROGRAMS - Continued

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

CFDA number ¹ (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)	Type of compliance requirement ² (b)	Amount of questioned costs (c)	Internal control findings ³ (d)	Audit finding reference number(s) (e)	
84.010	TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	\$322,195	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A	
84.027	SPECIAL EDUCATION - TITLE VI-B	\$195,694	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A	
84.173	SPECIAL EDUCATION - PRESCHOOL HANDICAPPED	\$25,644	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A	
84.048	VOCATIONAL EDUCATION BASIC GRANT	\$191,698	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A	
84.186	SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES	\$22,656	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A	
84.281	EISENHOWER PROFESSIONAL DEVELOPMENT	\$6,454	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A	
84.298	INNOVATIVE EDUCATION PROGRAM STRATEGIES	\$20,479	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A	
17.249	EMPLOYMENT SERVICES AND JOB TRAINING - SCHOOL TO WORK	\$978	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A	
10.550	FOOD DISTRIBUTION PROGRAM	\$41,552	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A	
10.553	SCHOOL BREAKFAST PROGRAM	\$8,013	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A	
TOTAL FEDERAL AWARDS EXPENDED		\$SEE NEXT PAGE						

7. AUDIT FINDINGS AND QUESTIONED COSTS

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

PART III FEDERAL PROGRAMS - Continued

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

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)
10.555	NATIONAL SCHOOL LUNCH PROGRAM	\$113,526	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	\$N/A	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	N/A
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input type="checkbox"/> C	
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¹ Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.

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

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

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

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



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OFFICE OF THE AUDITOR
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800-282-0370
Facsimile 614-466-4490

WADSWORTH CITY SCHOOL DISTRICT

MEDINA 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: MARCH 14, 2000