

GARY B. FINK & ASSOCIATES, INC.

CERTIFIED PUBLIC ACCOUNTANTS

CLOVERLEAF LOCAL SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 1999

Professional Accountants
for
Professional Government

CLOVERLEAF LOCAL SCHOOL DISTRICT

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

CLOVERLEAF LOCAL SCHOOL DISTRICT
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

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STATE OF OHIO
OFFICE OF THE AUDITOR

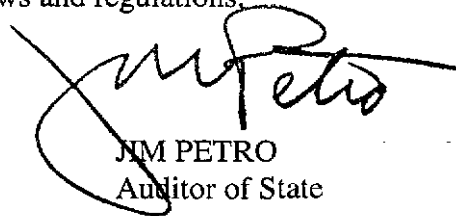
JIM PETRO, AUDITOR OF STATE

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Board of Education
Cloverleaf Local School District
Lodi, Ohio

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

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



JIM PETRO
Auditor of State

January 11, 2000

INDEPENDENT AUDITOR'S REPORT

Board of Education
Cloverleaf Local School District
8525 Friendsville Road
Lodi, Ohio 44254

We have audited the accompanying general purpose financial statements of the Cloverleaf Local 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 Cloverleaf Local 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 Cloverleaf Local School District, as of June 30, 1999 and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 4 to the general purpose financial statements, the Cloverleaf Local School District restated beginning fund balances on the *budgetary basis of accounting*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 1999 on our consideration of the Cloverleaf Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

INDEPENDENT AUDITOR'S REPORT (continued)

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

December 2, 1999



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

GENERAL PURPOSE FINANCIAL STATEMENTS

CLOVERLEAF LOCAL SCHOOL DISTRICT
 COMBINED BALANCE SHEET — ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and other debits				
Assets				
Pooled cash and equivalents	\$ 1,974,704	\$ 227,838	\$ 120,147	\$ 85,468
Restricted cash and equivalents	258,396	-	25,122	-
Receivables, net of allowance				
Taxes, current	8,623,330	-	284,899	257,999
Taxes, delinquent	305,931	-	-	17,756
Accrued interest	17,780	-	-	-
Intergovernmental receivable	-	-	-	-
Interfund receivables	15,000	-	-	-
Inventories and supplies	133,731	-	-	-
Fixed assets	-	-	-	-
Accumulated depreciation	-	-	-	-
Other debits				
Amount available for debt service	-	-	-	-
Amount to be provided for debt	-	-	-	-
Amount to be provided for benefits	-	-	-	-
Amount to be provided for capital leases	-	-	-	-
Total assets and other debits	\$ 11,328,872	\$ 227,838	\$ 430,168	\$ 361,223

See accompanying notes to the general purpose financial statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		Enterprise	Trust and Agency	
\$ 109,272	\$ 56,524	\$ -	\$ -	\$ 2,573,953
-	-	-	-	283,518
-	-	-	-	9,166,228
-	-	-	-	323,687
-	-	-	-	17,780
23,725	-	-	-	23,725
-	-	-	-	15,000
23,996	-	-	-	157,727
257,643	-	16,362,369	-	16,620,012
(179,117)	-	-	-	(179,117)
-	-	-	120,147	120,147
-	-	-	21,981	21,981
-	-	-	1,801,141	1,801,141
-	-	-	315,637	315,637
\$ 235,519	\$ 56,524	\$ 16,362,369	\$ 2,258,906	\$ 31,261,419

(continued)

CLOVERLEAF LOCAL SCHOOL DISTRICT
 COMBINED BALANCE SHEET — ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1999 (continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, fund equity and other credits				
Liabilities				
Accounts and contracts payable	\$ 53,343	\$ 3,771	\$ -	\$ 286,000
Accrued wages and benefits	2,031,801	61,754	-	-
Matured bond and coupon payable	-	-	25,122	-
Accrued interest payable	-	-	-	10,650
Intergovernmental payable	341,133	1,715	-	10
Interfund payables	-	-	-	-
Due to students	-	-	-	-
Deferred revenue	8,392,097	-	284,899	240,798
Installment plan payable	-	-	-	-
Notes payable	-	-	-	600,000
Capital leases	-	-	-	-
Compensated absences	229,194	-	-	-
Total liabilities	11,047,568	67,240	310,021	1,137,458
Fund equity and other credits				
Investment in general fixed assets	-	-	-	-
Retained earnings				
Unreserved	-	-	-	-
Fund balance				
Reserved for inventories and supplies	133,731	-	-	-
Reserved for property tax	537,164	-	-	34,957
Reserved for debt service	-	-	120,147	-
Reserved for budget stabilization	258,396	-	-	-
Reserved for encumbrances	278,880	39,796	-	-
Unreserved	(926,867)	120,802	-	(811,192)
Total fund equity and other credits	281,304	160,598	120,147	(776,235)
Total liabilities, fund equity and other credits	\$ 11,328,872	\$ 227,838	\$ 430,168	\$ 361,223

See accompanying notes to the general purpose financial statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups			Totals (Memorandum Only)
		Enterprise	Trust and Agency	General Fixed Assets	
\$ 9,847	\$ 992	\$ -	\$ -	\$ 353,953	
47,297	-	-	-	2,140,852	
-	-	-	-	25,122	
-	-	-	-	10,650	
30,302	12	-	193,954	567,126	
15,000	-	-	-	15,000	
-	40,555	-	-	40,555	
8,973	-	-	-	8,926,767	
-	-	-	142,128	142,128	
-	-	-	-	600,000	
-	-	-	315,637	315,637	
18,277	-	-	1,607,187	1,854,658	
129,696	41,559	-	2,258,906	14,992,448	
-	-	16,362,369	-	16,362,369	
105,823	-	-	-	105,823	
-	-	-	-	133,731	
-	-	-	-	572,121	
-	-	-	-	120,147	
-	-	-	-	258,396	
-	-	-	-	318,676	
-	14,965	-	-	(1,602,292)	
105,823	14,965	16,362,369	-	16,268,971	
\$ 235,519	\$ 56,524	\$ 16,362,369	\$ 2,258,906	\$ 31,261,419	

CLOVERLEAF LOCAL SCHOOL DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND

FOR THE YEAR ENDED JUNE 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues				
Taxes	\$ 9,001,716	\$ -	\$ 120,147	\$ 444,898
Tuition and fees	126,933	-	-	-
Interest	171,711	-	-	-
Intergovernmental	9,595,952	629,652	-	71,422
Extracurricular	-	185,205	-	-
Miscellaneous	79,635	105,257	-	-
Total revenues	18,975,947	920,114	120,147	516,320
Expenditures				
Current				
Instruction				
Regular	9,931,532	107,478	-	416,088
Special	1,185,801	290,661	-	-
Vocational education	127,362	-	-	-
Other instructional	231,101	-	-	-
Supporting services				
Pupil	822,141	139,630	-	-
Instructional	607,453	133,994	-	-
Board of education	24,913	-	-	-
Administration	1,409,614	18,303	-	-
Fiscal	401,957	-	-	9,753
Business	239,798	-	-	-
Operation and maintenance	2,093,348	236	-	19,730
Pupil transportation	1,165,268	25	-	-
Central services	-	11,867	-	-
Operation of non-instructional services				
Community services	48,974	-	-	-
Extracurricular				
Academic oriented	18,357	54,125	-	-
Occupation oriented	1,533	182	-	-
Sports oriented	313,854	117,484	-	-
Co-curricular	12,084	77,375	-	-
Capital outlay	123,951	-	-	1,774,149
Debt service				
Principal	73,389	-	-	-
Interest	32,283	-	-	10,650
Total expenditures	18,864,713	951,360	-	2,230,370
Excess (deficiency) of revenues over (under) expenditures	111,234	(31,246)	120,147	(1,714,050)
Other financing sources (uses)				
Operating transfers-in	-	48,258	-	336,000
Gain on sale of assets	24,764	-	-	-
Operating transfers-out	(424,551)	-	-	-
Total other financing sources (uses)	(399,787)	48,258	-	336,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(288,553)	17,012	120,147	(1,378,050)
Fund balances at beginning of year	576,160	143,586	-	601,815
(Decrease) in reserve for inventory	(6,303)	-	-	-
Fund balances at end of year	\$ 281,304	\$ 160,598	\$ 120,147	\$ (776,235)

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type			
Expendable Trust	Totals (Memorandum Only)		
\$ -	\$ 9,566,761		
-	126,933		
-	171,711		
-	10,297,026		
618	185,823		
17,613	202,505		
<hr/>	<hr/>		
18,231	20,550,759		
<hr/>	<hr/>		
-	10,455,098		
-	1,476,462		
-	127,362		
-	231,101		
-	961,771		
-	741,447		
-	24,913		
-	1,427,917		
-	411,710		
-	239,798		
-	2,113,314		
-	1,165,293		
-	11,867		
7,753	56,727		
-	72,482		
-	1,715		
-	431,338		
-	89,459		
-	1,898,100		
-	73,389		
-	42,933		
<hr/>	<hr/>		
7,753	22,054,196		
<hr/>	<hr/>		
10,478	(1,503,437)		
<hr/>	<hr/>		
-	384,258		
-	24,764		
-	(424,551)		
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-	(15,529)		
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10,478	(1,518,966)		
4,487	1,326,048		
-	(6,303)		
<hr/>	<hr/>		
\$ 14,965	\$ 199,221		

CLOVERLEAF LOCAL SCHOOL DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED JUNE 30, 1999

	General		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 9,106,800	\$ 9,155,741	\$ 48,941
Tuition and fees	197,275	126,933	(70,342)
Interest	145,000	153,931	8,931
Intergovernmental	9,604,267	9,595,952	(8,315)
Extracurricular	-	-	-
Miscellaneous	79,635	79,635	-
Total revenues	19,132,977	19,112,192	(20,785)
Expenditures			
Current			
Instruction			
Regular	10,356,598	9,815,816	540,782
Special	1,294,419	1,164,379	130,040
Vocational education	125,867	122,636	3,231
Other instruction	200,000	260,837	(60,837)
Supporting services			
Pupil	910,887	821,534	89,353
Instructional	639,523	608,500	31,023
Board of education	27,730	24,915	2,815
Administration	1,554,504	1,445,785	108,719
Fiscal	431,932	416,788	15,144
Business	301,456	247,839	53,617
Operation and maintenance	2,401,131	2,348,469	52,662
Pupil transportation	1,192,314	1,167,770	24,544
Central services	-	-	-
Operation of non-instructional services			
Community services	54,848	48,002	6,846
Extracurricular			
Academic oriented	20,060	18,653	1,407
Occupation oriented	1,525	1,525	-
Sports oriented	331,629	312,155	19,474
Co-curricular	14,300	12,085	2,215
Capital outlay	167,000	166,628	372
Total expenditures	20,025,723	19,004,316	1,021,407
Excess (deficiency) of revenues over (under) expenditures	(892,746)	107,876	1,000,622
Other financing sources (uses)			
Operating transfers-in	300,603	452,962	152,359
Note proceeds	-	-	-
Gain on sale of assets	23,460	24,764	1,304
Advances in	-	660,600	660,600
Refund of prior year's expenditures	2,000	1,161	(839)
Operating transfers-out	(877,513)	(877,513)	-
Advances out	-	(15,000)	(15,000)
Refund of prior year's receipts	(719)	(719)	-
Total other financing sources (uses)	(552,169)	246,255	798,424
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(1,444,915)	354,131	1,799,046
Prior year's encumbrances	219,031	219,031	-
Fund balances at beginning of year (restated)	1,659,938	1,659,938	-
Fund balances at end of year	\$ 434,054	\$ 2,233,100	\$ 1,799,046

See accompanying notes to the general purpose financial statements.

Special Revenue			Debt Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 150,000	\$ 120,147	\$ (29,853)
-	-	-	-	-	-
655,652	629,652	(26,000)	-	-	-
178,007	185,205	7,198	-	-	-
93,421	105,257	11,836	-	-	-
927,080	920,114	(6,966)	150,000	120,147	(29,853)
124,478	110,968	13,510	-	-	-
353,750	286,207	67,543	-	-	-
-	-	-	-	-	-
157,010	150,349	6,661	-	-	-
163,513	130,895	32,618	-	-	-
-	-	-	-	-	-
20,451	19,168	1,283	-	-	-
-	-	-	-	-	-
2,500	236	2,264	-	-	-
600	25	575	-	-	-
23,557	23,557	-	-	-	-
-	-	-	-	-	-
57,980	55,494	2,486	-	-	-
281	182	99	-	-	-
130,407	121,814	8,593	-	-	-
95,944	87,896	8,048	-	-	-
-	-	-	-	-	-
1,130,471	986,791	143,680	-	-	-
(203,391)	(66,677)	136,714	150,000	120,147	(29,853)
58,237	62,737	4,500	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	638	638	-	-	-
(14,479)	(14,479)	-	-	-	-
(600)	(600)	-	-	-	-
-	(822)	(822)	-	-	-
43,158	47,474	4,316	-	-	-
(160,233)	(19,203)	141,030	150,000	120,147	(29,853)
29,691	29,691	-	-	-	-
217,351	217,351	-	25,122	25,122	-
\$ 86,809	\$ 227,839	\$ 141,030	\$ 175,122	\$ 145,269	\$ (29,853)

(continued)

CLOVERLEAF LOCAL SCHOOL DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED JUNE 30, 1999 (continued)

	Capital Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 450,100	\$ 454,999	\$ 4,899
Tuition and fees	-	-	-
Interest	-	-	-
Intergovernmental	71,400	71,422	22
Extracurricular	-	-	-
Miscellaneous	-	-	-
Total revenues	521,500	526,421	4,921
Expenditures			
Current			
Instruction			
Regular	416,091	416,091	-
Special	-	-	-
Vocational education	-	-	-
Other instructional	-	-	-
Supporting services			
Pupil	-	-	-
Instructional	-	-	-
Board of education	-	-	-
Administration	-	-	-
Fiscal	9,762	9,753	9
Business	-	-	-
Operation and maintenance	19,730	19,730	-
Pupil transportation	-	-	-
Central services	-	-	-
Operation of non-instructional services	-	-	-
Community services	-	-	-
Extracurricular			
Academic oriented	-	-	-
Occupation oriented	-	-	-
Sports oriented	-	-	-
Co-curricular	-	-	-
Capital outlay	1,491,272	1,488,149	3,123
Total expenditures	1,936,855	1,933,723	3,132
Excess (deficiency) of revenues over (under) expenditures	(1,415,355)	(1,407,302)	8,053
Other financing sources (uses)			
Operating transfers-in	336,000	336,000	-
Note proceeds	600,000	600,000	-
Gain on sale of assets	-	-	-
Advances in	-	-	-
Refund of prior year's expenditures	-	-	-
Operating transfers-out	-	-	-
Advances out	(655,000)	(655,000)	-
Refund of prior year's receipts	-	-	-
Total other financing sources (uses)	281,000	281,000	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(1,134,355)	(1,126,302)	8,053
Prior year's encumbrances	918,452	918,452	-
Fund balances at beginning of year	293,318	293,318	-
Fund balances at end of year (restated)	\$ 77,415	\$ 85,468	\$ 8,053

See accompanying notes to the general purpose financial statements.

Totals
(Memorandum Only)

Budget	Actual	Variance Favorable (Unfavorable)
\$ 9,706,900	\$ 9,730,887	\$ 23,987
197,275	126,933	(70,342)
145,000	153,931	8,931
10,331,319	10,297,026	(34,293)
178,007	185,205	7,198
173,056	184,892	11,836
<u>20,731,557</u>	<u>20,678,874</u>	<u>(52,683)</u>
10,897,167	10,342,875	554,292
1,648,169	1,450,586	197,583
125,867	122,636	3,231
200,000	260,837	(60,837)
1,067,897	971,883	96,014
803,036	739,395	63,641
27,730	24,915	2,815
1,574,955	1,464,953	110,002
441,694	426,541	15,153
301,456	247,839	53,617
2,423,361	2,368,435	54,926
1,192,914	1,167,795	25,119
23,557	23,557	-
54,848	48,002	6,846
78,040	74,147	3,893
1,806	1,707	99
462,036	433,969	28,067
110,244	99,981	10,263
1,658,272	1,654,777	3,495
<u>23,093,049</u>	<u>21,924,830</u>	<u>1,168,219</u>
<u>(2,361,492)</u>	<u>(1,245,956)</u>	<u>1,115,536</u>
694,840	851,699	156,859
600,000	600,000	-
23,460	24,764	1,304
-	660,600	660,600
2,000	1,799	(201)
(891,992)	(891,992)	-
(655,600)	(670,600)	(15,000)
(719)	(1,541)	(822)
<u>(228,011)</u>	<u>574,729</u>	<u>802,740</u>
<u>(2,589,503)</u>	<u>(671,227)</u>	<u>1,918,276</u>
1,167,174	1,167,174	-
2,195,729	2,195,729	-
<u>\$ 773,400</u>	<u>\$ 2,691,676</u>	<u>\$ 1,918,276</u>

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CLOVERLEAF LOCAL SCHOOL DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - PROPRIETARY FUND TYPE

FOR THE YEAR ENDED JUNE 30, 1999

	Enterprise
Operating revenues	
Tuition and fees	\$ 223,547
Extracurricular	3,130
Miscellaneous	255,892
Charges for services	567,347
Total operating revenues	<u>1,049,916</u>
Operating expenses	
Salaries and wages	472,071
Fringe benefits	109,945
Contractual services	446,605
Materials and supplies	186,759
Other expenses	955
Depreciation	4,557
Total operating expenses	<u>1,220,892</u>
Operating (loss)	<u>(170,976)</u>
Nonoperating revenues (expenses)	
Intergovernmental	227,452
Interest	296
Loss on disposal of assets	(104)
Total nonoperating revenues (expenses)	<u>227,644</u>
Income before operating transfers	56,668
Operating transfers-in	40,293
Net income	<u>96,961</u>
Retained earnings at beginning of year	8,862
Retained earnings at end of year	<u>\$ 105,823</u>

See accompanying notes to the general purpose financial statements

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CLOVERLEAF LOCAL SCHOOL DISTRICT
 COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED JUNE 30, 1999

	Enterprise
Cash flows from operating activities:	
Operating (loss)	\$ (170,976)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities	
Depreciation	4,557
Donated commodities, used	37,627
Changes in net assets (increase) decrease and liabilities increase (decrease):	
Inventories and supplies	(263)
Accounts and contracts payable	7,219
Accrued wages and benefits	6,005
Intergovernmental payable	2,350
Compensated absences	4,128
Total adjustments	61,623
Net cash (used in) operating activities	(109,353)
Cash flows from non-capital financing activities:	
Intergovernmental revenue	166,100
Operating transfers-in	40,293
Advances in	15,000
Advances out	(5,000)
Net cash provided by non-capital financing activities	216,393
Cash flows from capital and related financing activities	
Acquisition of fixed assets	(37,979)
Net cash (used in) capital and related financing activities	(37,979)
Cash flows from investing activities:	
Interest	296
Net cash provided by investing activities	296
Net increase in cash and cash equivalents	69,357
Pooled cash and equivalents at beginning of year	39,915
Pooled cash and equivalents at end of year	\$ 109,272
Non-cash transaction:	
Disposal of fixed assets	\$ 1,036

See accompanying notes to the general purpose financial statements.

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CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY

The Cloverleaf Local School District (the District) was 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 is a local school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education, consisting of five members, and is responsible for providing public education to residents of the District. Average daily membership on, or as of, October 1, 1998 was 3,602. The District employs 227 certificated and 168 non-certificated employees.

The reporting entity is required to be composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Cloverleaf Local School District, this includes general operations, food service, and student-related activities of the District.

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

The following entities which perform activities within the District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the District is not financially accountable for these entities nor are they fiscally dependent on the District.

Lake Erie Educational Computer Association - The Cloverleaf Local School District participates in the Lake Erie Educational Computer Association (LEECA). LEECA provides data services needed by the participating school districts. This is a jointly governed organization. The District's participation is disclosed in Note 20 to the financial statements.

Ohio Schools Council of Governments - The Ohio Schools Council promotes cooperative agreements to its members in dealing with problems of mutual concern. This is a jointly governed organization. The District's participation is disclosed in Note 20 to the financial statements.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 1 NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY (continued)

Medina County Joint Vocational School District - The Medina County Joint Vocational School District is a separate body politic and corporate, established by the Ohio Revised Code to provide for vocational and special education needs of the students. The Board of the Medina County Joint Vocational School District is comprised of representatives from each participating school district and is responsible for approving its own budgets, appointing personnel, and accounting- and financing-related activities. The Cloverleaf Local School District's students may attend the Medina County Joint Vocational School District.

Management believes the financial statements included in this report represent all of the funds of the District over which the District has the ability to exercise direct operating control.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

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

Governmental Fund Types

Governmental fund types are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay obligations of the current period, which is considered to be approximately sixty days. Property taxes and interest are susceptible to accrual. The amount of property taxes available for advance at June 30, 1999 is considered to be available to finance current period obligations and is therefore subject to accrual. Generally property taxes, although measurable, are not available soon enough after the current period to finance current period obligations, and accordingly, property taxes receivable is reflected as deferred revenue until available.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION (continued)

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, since the measurement focus of governmental funds is on decreases in financial resources. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year. Compensated absences and contractually required pension contributions are reported as a fund liability when payment will require the use of current available financial resources. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds. Governmental funds include the following fund types:

General Fund - used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects, that are legally restricted to expenditure for specified purposes.

Debt Service Fund - used to account for the accumulation of resources for the payment of interest and principal on long-term general obligation debt other than those payable from proprietary funds.

Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary or trust funds.

Proprietary Fund Type

Proprietary fund types are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Allocations of costs, such as depreciation, are recognized in the proprietary funds. As permitted, the Board of Education has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations. The District's proprietary funds include the following fund type:

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

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION (continued)

Fiduciary Fund Types

Fiduciary fund types account for assets held by the government in a trustee capacity or as an agent on behalf of others. Fiduciary fund types are as follows:

Expendable Trust Fund - accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. This fund accounts for assets where both the principal and interest may be spent.

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

Account Groups

The District maintains two account groups as described below:

General Fixed Assets Account Group - used to account for fixed assets acquired principally for general purposes other than those accounted for in proprietary funds.

General Long-Term Debt Account Group - used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

B. DEPOSITS 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 fund's interest in the pool is presented as "pooled cash and equivalents" on the combined balance sheet. During the year, investments were limited to overnight repurchase agreements. Nonparticipating investment contracts such as overnight repurchase agreements are reported at cost. Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during the year amounted to \$ 171,711, which includes \$ 62,015 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 original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. RESTRICTED CASH

Restricted cash in the general fund represents cash and 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 cash in the debt service fund represents outstanding bonds and coupons that have not yet been redeemed. During fiscal year 1993, the District received court approval to transfer the balance of its bond and coupon account to its general checking account. A corresponding "matured bond and coupon payable" has been recorded on the combined balance sheet.

D. RECEIVABLES

Receivables are reflected at their gross value reduced by the estimated amount that is expected to be uncollectible.

E. INVENTORIES AND SUPPLIES

Inventory items of governmental funds are stated at cost while inventory items of proprietary funds are stated at the lower of cost or market. The cost of inventory items are recognized as expenditures when purchased in the governmental funds and recognized as expenses when used in the enterprise funds. For all funds, cost is determined on a first-in, first-out basis.

Reported inventories in the governmental fund types are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

F. FIXED ASSETS AND DEPRECIATION

Fixed assets used in governmental fund types of the District are recorded in the general fixed assets account group at cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are recorded at their estimated fair market value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets. The District does not possess any infrastructure.

Fixed assets which are used in proprietary fund type activities are capitalized in the respective funds. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at estimated fair market value when received, based on historical information available. Depreciation is computed using the straight-line method based on estimated useful lives of assets. Estimated useful lives of equipment and furniture are 8 to 20 years.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. LONG-TERM LIABILITIES

Unmatured general long-term liabilities, which are related to governmental fund type operations, are reflected in the general long-term debt account group.

H. UNPAID COMPENSATED ABSENCES

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

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

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

The District uses the vesting method to estimate the amount of accumulated compensated absences that will be paid as a termination benefit.

I. SHORT-TERM INTERFUND ASSETS/LIABILITIES

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivable/payable."

J. 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. All other interfund transfers are reported as operating transfers.

K. FUND EQUITY

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 appropriation or expenditures. Unreserved retained earnings for proprietary funds represent the net assets available for future operations.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. TOTAL COLUMNS

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

M. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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 appropriations 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 required to be budgeted and appropriated. The primary level of budgetary control is at the object code level within each function for all funds. Budgetary modifications may only be made by resolution of the Board of Education.

Tax Budget

A budget of estimated revenue and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the ensuing July 1 to June 30 fiscal year.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. BUDGETARY PROCESS (continued)

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the District by March 1. As part of the certification, the District receives the official certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. Budget receipts, as shown in the accompanying "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types" do not include July 1, 1998 unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 to June 30. The appropriation resolution fixes spending authority at the fund-function-object code level and may be amended during the year as new information becomes available provided that total fund appropriations do not exceed current estimated resources, as certified.

The allocation of appropriations among object codes within functions and functions within funds may be modified during the year by a resolution of the Board of Education. Several supplemental appropriation resolutions were legally enacted by the Board of Education during the year. The budget figures, as shown in the accompanying "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types" represent the final appropriation amounts including all amendments and modifications.

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. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. BUDGETARY PROCESS (continued)

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. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations at any level of control. On the GAAP basis, encumbrances outstanding at year-end for governmental funds are reported as reservations of fund balances for subsequent-year expenditures.

Budgetary Reporting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances.

Accordingly, the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types" is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with State statute. The major differences between the budget basis and the modified accrual basis of generally accepted accounting principles (GAAP basis) are that:

- 1.) Revenues are recorded when received (budget basis) rather than when susceptible to accrual (GAAP basis).

CLOVERLEAF LOCAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. BUDGETARY PROCESS (continued)

Budgetary Reporting (continued)

- 2.) Expenditures are recorded when paid or encumbered (budget basis) rather than when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from the budget basis to the GAAP basis for the governmental funds follow:

Excess (deficiency) of revenues and other financing sources
 over (under) expenditures and other financing (uses) -
 reconciliation of budget basis to GAAP basis

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget basis	\$ 354,131	\$ (19,203)	\$ 120,147	\$ (1,126,302)
Adjustments, increase (decrease)				
Revenue accruals	(1,250,968)	(15,117)	-	(610,101)
Expenditure accruals	608,284	51,332	-	358,353
GAAP basis, as reported	<u>\$ (288,553)</u>	<u>\$ 17,012</u>	<u>\$ 120,147</u>	<u>\$ (1,378,050)</u>

B. FUND EQUITY DEFICITS

Not apparent in the general purpose financial statements are deficit fund equity balances of \$ 15,678 in the food service fund and \$ 776,225 in the permanent improvement fund. These deficit fund equity balances at year-end result from reflecting expenditures and expenses in accordance with the modified accrual basis and the accrual basis which are substantially larger than the amounts recognized on the budget basis. The District, in accordance with its budget basis, will appropriate such expenditures and expenses from resources of the subsequent year.

CLOVERLEAF LOCAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 4 RESTATEMENT OF PRIOR YEAR EQUITY

The following beginning fund balances on the budget basis have been restated to properly reflect an accumulation of immaterial errors over the past several fiscal years:

	<u>General</u>	<u>Special Revenue</u>
Fund Balances as Stated at June 30, 1998	\$ 1,340,673	\$ 173,634
Restatement	<u>319,265</u>	<u>43,717</u>
Fund Balances as Restated at June 30, 1998	<u>\$ 1,659,938</u>	<u>\$ 217,351</u>

NOTE 5 DEPOSITS AND INVESTMENTS

The Cloverleaf Local School District maintains a cash and investment pool used by various funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "pooled cash and equivalents."

A. LEGAL REQUIREMENTS

State statutes classify 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 District 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.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 5 DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (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 accounts including passbook accounts. Interim monies may 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 and interest by the United States;
- 2.) Bonds, notes, debentures, or 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 (STAROhio); and,
- 7.) Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 5 DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (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 of debt of the District, and must be purchased with the expectation that it will be held until maturity.

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

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

B. CASH ON HAND

At year end, the District had \$ 50.00 in undeposited cash on hand which is included on the combined balance sheet of the District as part of "pooled cash and equivalents."

The following information classifies deposits and investments by categories of risk as defined in Governmental Accounting Standards Board (GASB) Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements".

C. DEPOSITS

At year-end, the carrying amount of the Cloverleaf Local School District's deposits was \$ 1,922,421 and the bank balance was \$ 2,358,195. Of this balance \$ 200,000 was covered by federal depository insurance and \$ 2,158,195 by collateral held by third party trustees in accordance with the Ohio Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions, which is considered uncollateralized and uninsured as defined by the GASB Statement No. 3. Although all State statutory requirements for the deposits of money had been followed, non-compliance with Federal requirements could potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

CLOVERLEAF LOCAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

5 DEPOSITS AND INVESTMENTS (continued)

D. INVESTMENTS

The District's investments are categorized below to give an indication of the level of credit 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 for which the securities 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 its trust department or agent but not in the District's name.

	Category			Fair Value
	1	2	3	
Overnight Repurchase Agreements	\$ -	\$ -	\$ 935,000	\$ 935,000

The classification of cash and equivalents, and the 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 classification of cash and equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Equivalents /Deposits	Investments
GASB Statement No. 9	\$ 2,857,471	\$ -
Investments of the Cash Management Pool:		
Overnight Repurchase Agreements	935,000	935,000
Cash on Hand	50	-
GASB Statement No. 3	<u>\$ 1,922,421</u>	<u>\$ 935,000</u>

CLOVERLEAF LOCAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 6 FIXED ASSETS AND ACCUMULATED DEPRECIATION

A. GENERAL FIXED ASSETS ACCOUNT GROUP

The changes in general fixed assets during the year consisted of:

	Balance <u>July 1, 1998</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>June 30, 1999</u>
Land	\$ 1,033,952	\$ -	\$ -	\$ 1,033,952
Buildings and improvements	7,003,941	1,774,335		8,778,276
Equipment and furniture	3,096,245	435,036	(57,457)	3,473,824
Vehicles	1,572,325	176,200	(278,046)	1,470,479
Books	<u>1,443,373</u>	<u>162,465</u>	<u>-</u>	<u>1,605,838</u>
	<u>\$ 14,149,836</u>	<u>\$ 2,548,036</u>	<u>\$ (335,503)</u>	<u>\$ 16,362,369</u>

B. PROPRIETARY FUND TYPE FIXED ASSETS

Proprietary fund type fixed assets and accumulated depreciation at year-end consisted of:

	Balance <u>June 30, 1999</u>
<u>Enterprise</u>	
Equipment and furniture	\$ 257,643
Less: accumulated depreciation	<u>(179,117)</u>
Net fixed assets	<u>\$ 78,526</u>

NOTE 7 DEFERRED REVENUE

Deferred revenue at year-end, consisted of:

Property taxes receivable	\$ 8,917,794
Federal commodities, unused	<u>8,973</u>
	<u>\$ 8,926,767</u>

CLOVERLEAF LOCAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 8 GENERAL LONG-TERM DEBT

Changes in general long-term debt are as follows:

	<u>Outstanding</u> <u>June 30, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding</u> <u>June 30, 1999</u>
Intergovernmental payable	\$ 173,808	\$ 193,954	\$ 173,808	\$ 193,954
Installment plan payable	156,041	-	13,913	142,128
Capital leases	375,113	-	59,476	315,637
Compensated absences	<u>1,421,903</u>	<u>296,230</u>	<u>110,946</u>	<u>1,607,187</u>
	<u>\$ 2,126,865</u>	<u>\$ 490,184</u>	<u>\$ 358,143</u>	<u>\$ 2,258,906</u>

NOTE 9 INSTALLMENT PLAN PAYABLE

The installment plan payable outstanding at year-end consisted of:

	<u>Outstanding</u> <u>June 30, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding</u> <u>June 30, 1999</u>
Water line tie-in, (1997) 6.12% through 2007	\$ 156,041	\$ -	\$ 13,913	\$ 142,128

The general fund is being used to repay the installment plan.

Debt service requirements, including principal and interest, to retire the installment plan payable outstanding at June 30, 1999, consisted of:

<u>Year ending</u> <u>June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 14,789	\$ 8,288	\$ 23,077
2001	15,720	7,357	23,077
2002	16,709	6,368	23,077
2003	17,761	5,316	23,077
2004	18,879	4,198	23,077
2005-2007	<u>58,270</u>	<u>5,192</u>	<u>63,462</u>
	<u>\$ 142,128</u>	<u>\$ 36,719</u>	<u>\$ 178,847</u>

CLOVERLEAF LOCAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 10 NOTES PAYABLE

Notes payable at the end of the year consisted of:

	<u>Outstanding June 30, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding June 30, 1999</u>
Tax anticipation, (1999)				
3.55% through 2001	\$ -	\$ 600,000	\$ -	\$ 600,000

Debt service requirements, including principal and interest, to retire notes payable outstanding at June 30, 1999, consisted of:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 300,000	\$ 19,703	\$ 319,703
2001	300,000	10,650	310,650
	<u>\$ 600,000</u>	<u>\$ 30,353</u>	<u>\$ 630,353</u>

NOTE 11 CAPITAL LEASES

The Cloverleaf Local School District is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the general fixed asset account group and the general long-term debt account group, respectively. The assets under capital leases totaled \$ 401,002 at June 30, 1999. The leases are in effect through fiscal year 2004.

The following is a schedule of future minimum lease payments under capital leases together with the net present value of the minimum lease payments as of June 30, 1999.

<u>Year Ending June 30,</u>	<u>Amount</u>
2000	\$ 82,595
2001	82,595
2002	82,595
2003	75,113
2004	42,361
Total future minimum lease payments	365,259
Less: Amount representing interest	(49,622)
Net present value of minimum lease payments	<u>\$ 315,637</u>

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 12 PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the District. Taxes collected on real property, other than public utility, in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of the preceding year, the lien date. Assessed values are established by the Medina County Auditor at 35% of the appraised market value. All property is required to be revalued every six years, the last update was completed for 1998. Real property taxes are payable annually or semi-annually. The first payment is due on or about January 20, with the remainder payable on or about June 20.

Taxes collected from tangible personal property, other than public utility, in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business, except for public utilities, is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts 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.

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

The Medina County Treasurer collects property taxes on behalf of all taxing districts in the county. The County Auditor periodically remits to the District its portion of the taxes collected.

The tax applied to real property collected in 1999 before certain homestead and rollback reductions, which reductions are reimbursed to the District by the State of Ohio, amounted to \$ 55.80 per \$ 1,000 of valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$ 27.61 per \$ 1,000 of assessed valuation for real property classified as residential/agricultural and \$ 35.02 per \$ 1,000 of assessed valuation for all other real property. The tax rate applied to tangible personal property for the current year ended June 30, 1999, was \$ 55.80 per \$ 1,000 of valuation. Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at 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 receivables therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

CLOVERLEAF LOCAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 12 PROPERTY TAXES (continued)

The amount available as an advance at June 30, 1999 is recognized as revenue. The amount available to the District as an advance at June 30, 1999 was \$572,121 and is reflected as a reservation of fund balance for future appropriations.

The property valuation consisted of:

Real Property - 1998		
Residential/Agricultural	\$	260,522,860
Commercial/Industrial		39,684,350
Public Utilities		415,860
Mineral		498,290
Tangible Personal Property - 1999		
General		18,281,650
Public Utilities		<u>16,916,310</u>
Total valuation	\$	<u>336,319,320</u>

NOTE 13 INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances at June 30, 1999 is as follows:

Fund	Receivable	Payable
General	\$ 15,000	\$ -
Food service	-	<u>15,000</u>
Totals	<u>\$ 15,000</u>	<u>\$ 15,000</u>

NOTE 14 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District has a comprehensive property and casualty policy with Nationwide Insurance. The deductible is \$ 1,000 per incident on property and \$ 250 per incident on equipment.

All vehicles are also insured with Nationwide Insurance Company and have a \$ 250 deductible. All board members, administrators and employees are covered under a school district liability policy with Nationwide. The limits of this coverage are \$ 1,000,000 per occurrence and \$ 5,000,000 per aggregate and an additional \$ 1,000,000 umbrella policy.

All the Board members, the Superintendent and the Assistant Superintendent have a \$ 20,000 position bond with Nationwide Insurance. The Treasurer is covered by a surety bond in the amount of \$ 20,000. This bond is provided by the Ohio Farmers Insurance Company.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 14 RISK MANAGEMENT (continued)

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

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

The District has contracted with Stark County Schools Insurance Consortium (SCSIC) to provide medical/surgical, dental, life insurance and accidental death and dismemberment insurance for its employees and their covered dependents. The SCSIC is a shared risk pool comprised of fourteen school districts that provide public education within Stark County. The districts pay monthly contributions that are placed in a common fund from which eligible claims and expenses are paid for employees of participating school districts and their covered dependents. Claims are paid for all participants regardless of claims flow. This plan contains a stop-loss provision of \$ 150,000 per participant and an aggregate stop-loss provision of \$36,950,956.

Premium contributions are determined annually based on the claims experience of the individual district. Premiums can be increased or decreased by up to 20% of the prior year's contribution. Member districts may become liable for additional contributions to fund the liability of the pool. In the event of termination, all participating Districts' claims would be paid without regard to their individual account balances. The SCSIC Board of Directors has authority to return monies to an exiting District subsequent to the settlement of all claims and expenses.

The health insurance is through Mutual Health Services Company. The life insurance is term life with a limit of \$ 25,000 for classified employees and \$ 40,000 for certified employees through Medical Life Insurance Company of America.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 15 PENSION PLANS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

The Cloverleaf Local School District contributes to the School Employees Retirement System of Ohio, a cost-sharing multiple-employer defined benefit pension plan administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established and may be amended by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio, 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute 14 percent, which is an actuarially determined rate by SERS's Retirement Board. For fiscal year 1999, 9.02 percent was the portion used to fund pension obligations. The contributions requirements of the plan members and employees are established and may be amended up to the statutory maximum amounts. The District's contributions for pension obligations to SERS for the years ended June 30, 1999, 1998, and 1997 were \$ 237,731, \$ 223,061, and \$ 217,057, respectively; 51.5 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$ 214,300 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and general long-term debt account group.

B. STATE TEACHERS RETIREMENT SYSTEM (STRS)

The Cloverleaf Local School District contributes to the State Teachers Retirement System of Ohio, a cost-sharing multiple employer defined benefit pension plan 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 and may be amended by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That 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. For fiscal year 1999, 6 percent was the portion to fund pension obligations. Contribution rates are established and may be amended by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The Cloverleaf Local School District's contributions for pension obligations to STRS for the years ended June 30, 1999, 1998, and 1997 were \$ 608,003, \$ 1,007,846 and \$ 1,087,126 respectively. The District paid 100% of the required contributions for the fiscal years ended 1998 and 1997, and 83.6% of the required contribution for the fiscal year ended 1999. \$ 232,084 representing the unpaid contribution for the fiscal year 1999 is recorded as a liability within the respective funds.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 16 POSTEMPLOYMENT BENEFITS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients.

Members retiring on or after August 1, 1989, with less than twenty-five years of service credit, must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 1998 (the latest information available) the allocation rate was 4.98%, an increase from 4.21% at June 30, 1997. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 1999, the minimum pay has been established as \$ 12,400. The surcharge rate, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

Benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 125% of annual health care expenses. Expenses for health care at June 30, 1998 were \$ 111,900,575 and the target level was \$ 139.9 million. At June 30, 1998, the Retirement System's net assets available for payment of health care benefits was \$ 160.3 million.

The number of participants currently receiving health care benefits is approximately 50,000. The portion of the District's contributions that were used to fund postemployment benefits was \$ 203,727 during the 1999 fiscal year.

B. STATE TEACHERS RETIREMENT SYSTEM (STRS)

The State Teachers Retirement System provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code (ORC), the State Teachers Retirement Board (Board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. Benefits are funded on a pay-as-you-go basis.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 16 POSTEMPLOYMENT BENEFITS (continued)

B. STATE TEACHERS RETIREMENT SYSTEM (STRS) (continued)

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

Through June 30, 1997, the Board allocated employer contributions equal to 2% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. Beginning July 1, 1997, this allocation was increased to 3.5 percent. The balance in the Health Care Reserve Fund was \$ 2,156 million at June 30, 1998 (the latest information available). The Health Care Reserve Fund allocation for the year ended June 30, 1999 was 8% of covered payroll. The portion of the District's contributions that were used to fund postemployment benefits was \$ 810,577 during the 1999 fiscal year. For the year ended June 30, 1998, the net health care costs paid by STRS were \$ 219,224,000. There were 91,999 eligible benefit recipients at June 30, 1998.

NOTE 17 CONTINGENCIES

The Cloverleaf Local School District, is a defendant in certain lawsuits, the outcomes of which cannot be determined. It is the opinion of the District's management that any judgement against the District would not have a material adverse effect on the District's financial position, and would be covered by liability insurance maintained by the District.

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 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.

CLOVERLEAF LOCAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 18 SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains enterprise funds to account for the operation of school food service, uniform school supplies, and community education. Segment information related to these follows:

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Community Education</u>	<u>Total</u>
Operating revenues	\$ 567,347	\$ 4,981	\$ 477,588	\$ 1,049,916
Operating expenses				
Salaries and wages	254,333	-	217,738	472,071
Fringe benefits	85,446	-	24,499	109,945
Contractual services	425,892	-	20,713	446,605
Materials and supplies	51,506	8,607	126,646	186,759
Other expenses	302	-	653	955
Depreciation	2,491	-	2,066	4,557
Total operating expenses	<u>819,970</u>	<u>8,607</u>	<u>392,315</u>	<u>1,220,892</u>
Operating income (loss)	<u>(252,623)</u>	<u>(3,626)</u>	<u>85,273</u>	<u>(170,976)</u>
Nonoperating revenues	<u>227,644</u>	<u>-</u>	<u>-</u>	<u>227,644</u>
Operating transfers-in	<u>40,293</u>	<u>-</u>	<u>-</u>	<u>40,293</u>
Net income (loss)	<u>\$ 15,314</u>	<u>\$ (3,626)</u>	<u>\$ 85,273</u>	<u>\$ 96,961</u>
Other information				
Net working capital	<u>\$ (64,380)</u>	<u>\$ 10,235</u>	<u>\$ 81,442</u>	<u>\$ 27,297</u>
Fixed assets, additions	<u>\$ 10,776</u>	<u>\$ -</u>	<u>\$ 27,203</u>	<u>\$ 37,979</u>
Fixed assets, disposals	<u>\$ 1,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ - 1,036</u>
Total assets	<u>\$ 102,139</u>	<u>\$ 10,235</u>	<u>\$ 123,145</u>	<u>\$ 235,519</u>
Total equity	<u>\$ (15,678)</u>	<u>\$ 10,235</u>	<u>\$ 111,266</u>	<u>\$ 105,823</u>

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 19 RETIREMENT INCENTIVE PLAN

The Cloverleaf Local Board of Education has adopted a Retirement Incentive Program for all STRS employees. A bargaining unit member who first becomes eligible for retirement through STRS (under the provisions of section 3307.38 of the Ohio Revised Code) by the end of the 1998-1999 school year can receive a one-time payment of \$ 20,000. Written notice was required to be submitted to the OEA Medina Uniserv office by April 1, 1999 of the employee's intent to retire at the end of the 1998-1999 school year and the employee must actually retire at the end of the school year. A minimum of four retirees was required for implementation of this provision. At June 30, 1999, compensated absences include \$ 120,000 of early retirement incentives recorded in the general fund.

NOTE 20 JOINTLY GOVERNED ORGANIZATIONS

A. LAKE ERIE EDUCATION COMPUTER ASSOCIATION (LEECA)

The Lake Erie Educational Computer Association (LEECA) is a jointly governed organization comprised of thirty school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts. Each of the governments of these districts supports LEECA based upon a per pupil charge dependent upon the software package utilized. The LEECA assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent. LEECA is governed by a board of directors chosen from the general membership of the LEECA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least one assembly member from each county from which participating districts are located. Financial information can be obtained by contacting the Treasurer at the Educational Service Center for Lorain County, which serves as fiscal agent, located at 1885 Lake Avenue, Elyria, Ohio, 44035. During the year ended June 30, 1999, the District paid approximately \$ 38,600 to LEECA for basic service charges.

B. OHIO SCHOOLS COUNCIL OF GOVERNMENTS

The Ohio Schools Council is a jointly governed organization among fourteen districts. The jointly governed organization was formed for the purpose of promoting cooperative agreements and activities among its members in dealing with problems of mutual concern such as a media center, gas consumption, driver education, food service and insurance. Each member provided operating resources to Ohio Schools Council on a per pupil or actual usage charge except for insurance.

CLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 20 JOINTLY GOVERNED ORGANIZATIONS (continued)

B. OHIO SCHOOLS COUNCIL OF GOVERNMENTS (continued)

The Ohio Schools Council assembly consists of a superintendent or designated representative from each participating district and the fiscal agent. Ohio Schools Council is governed by a board of directors chosen from the general membership. The degree of control exercised by any participating district is limited to its representation on the board. Financial information can be obtained by contacting the Treasurer at the Ohio Schools Council located at 6376 Mill Road, Broadview Heights, Ohio, 44147. During the year ended June 30, 1999, the District paid approximately \$ 59,800 to Ohio Schools Council.

NOTE 21 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 the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 1999, the District received \$ 8,491,126 of school foundation support for its general fund and \$ 8,545,400 for all funds (total support).

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 has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of the date of these financial statements, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

NOTE 22 CONTRACTUAL COMMITMENT

As of June 30, 1999 the District had a contractual commitment to The Vision Group for new stadium lighting. The total cost of the contract is \$ 130,320. The District will pay \$ 21,720 per year for the years ending June 30, 2000 through June 30, 2005.

CLOVERLEAF LOCAL SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 23 UTILITY COMPANY PROPERTY DEVALUATION

Currently public utility personal property is assessed at 88% of value. Privately owned personal property is assessed at 25% of value. This disparity occurs because public utilities in Ohio are afforded monopoly power over their areas of service. There is a proposed change to deregulate the electric utility industry in Ohio. This change would allow electric utility personal property to be valued at 25% of value, meaning a substantial reduction in tax dollars for all public entities. If this occurs it is expected that all public utilities would follow suit. As of the date of these financial statements, the District is unable to determine what effect if any this proposed change would have on its property taxes funding and on its operations if it is approved by the Ohio Legislature.

NOTE 24 STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During fiscal year ended June 30, 1999, the reserve activity (cash basis) was as follows:

	<u>Reserves</u>			<u>Total</u>
	<u>Textbook</u>	<u>Capital Maintenance</u>	<u>Budget Stabilization</u>	
Balance, July 1, 1998	\$ -	\$ -	\$ 106,037	\$ 106,037
Required set-aside	300,387	300,387	152,359	753,133
Offset credits	(54,137)	(336,000)	-	(390,137)
Qualifying expenditures	<u>(577,498)</u>	<u>(1,042,823)</u>	<u>-</u>	<u>(1,620,321)</u>
Total	<u>\$ (331,248)</u>	<u>\$ (1,078,436)</u>	<u>\$ 258,396</u>	<u>\$ (1,151,288)</u>
Balance Carried Forward to June 30, 1999	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258,396</u>	<u>\$ 258,396</u>

Since the qualifying expenditures and offset credits for the textbook and capital maintenance reserves exceeded the fiscal year 1999 requirement, no amount will be carried forward to June 30, 1999.

GLOVERLEAF LOCAL SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 25 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 District's operations.

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

The District uses the State of Ohio Uniform School Accounting System software for its financial reporting, and the State of Ohio Uniform Payroll System software for its payroll and employee benefits and State's EMIS for its educational statistics reporting. 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 "foundation" and Federal and State grant payments. 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.

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'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
Cloverleaf Local School District
8525 Friendsville Road
Lodi, Ohio 44254

We have audited the general purpose financial statements of the Cloverleaf Local School District, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 2, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

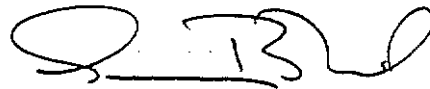
As part of obtaining reasonable assurance about whether the Cloverleaf Local School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could 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 certain immaterial instances of noncompliance that we have reported to management of the Cloverleaf Local School District in a separate letter dated December 2, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Cloverleaf Local 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. However, we noted a matter involving the internal control over financial reporting that we have reported to management of the Cloverleaf Local School District in a separate letter dated December 2, 1999.

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

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



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

December 2, 1999

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

Board of Education
Cloverleaf Local School District
8525 Friendsville Road
Lodi, Ohio 44254

Compliance

We have audited the compliance of the Cloverleaf Local 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 Cloverleaf Local School District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Cloverleaf Local School District's management. Our responsibility is to express an opinion on the Cloverleaf Local 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 Cloverleaf Local 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 Cloverleaf Local School District's compliance with those requirements.

In our opinion, the Cloverleaf Local 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. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Cloverleaf Local School District in a separate letter dated December 2, 1999.

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

Internal Control Over Compliance

The management of the Cloverleaf Local 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 Cloverleaf Local 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, the Board of Education and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



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

December 2, 1999

Cloverleaf Local School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 1999

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Disbursements
U.S. Department of Agriculture				
<i>Passed Through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
Food Distribution	10.550	—	\$39,453	\$38,464
School Breakfast Program	10.553	—	20,179	20,179
National School Lunch Program	10.555	—	137,277	137,277
Total U.S. Department of Agriculture - Child Nutrition Cluster			196,909	195,920
U.S. Department of Education				
<i>Passed Through Ohio Department of Education:</i>				
Eisenhower Professional Development State Grants	84.281	048488-MS-S1-99	14,187	6,104
Eisenhower Professional Development State Grants	84.281	048488-MS-S1-98	0	5,522
Eisenhower Professional Development State Grants	84.281	048488-MS-S1-97C	0	1,410
Total Eisenhower			14,187	13,036
Innovative Education Program Strategies (ESEA Title VI)	84.298	048488-C2-S1-99	13,420	11,417
Innovative Education Program Strategies (ESEA Title VI)	84.298	048488-C2-S1-98	0	2,448
Total Innovative Education Program Strategies			13,420	13,865
Title I Grants to Local Educational Agencies	84.010	048488-C1-S1-99	250,497	205,397
Title I Grants to Local Educational Agencies	84.010	048488-C1-S1-98	0	71,206
Total Title I			250,497	276,603
Safe and Drug-Free Schools and Communities - State Grants	84.186	048488-DR-S1-99	19,432	19,432
Safe and Drug-Free Schools and Communities - State Grants	84.186	048488-DR-S1-98C	0	14,082
Safe and Drug-Free Schools and Communities - State Grants	84.186	048488-DR-S1-97C	0	6,074
Total Safe and Drug-Free Schools			19,432	39,588
Goals 2000 - State and Local Educational Systemic Improvement Grants (Continuous Improvement Development Grant)	84.276	048488-G2-S2-99	15,000	13,992
Special Education Cluster:				
Special Education - Grants to States (Title VI-B Flow-Thru)	84.027	048488-6B-SF-99P	172,912	145,731
Special Education - Grants to States (Title VI-B Flow-Thru)	84.027	048488-6B-SF-98P	0	13,728
Total Title VI-B Flow-Thru			172,912	159,459
Special Education - Preschool Grants	84.173	048488-PG-S1-98P	10,140	3,214
Special Education - Preschool Grants	84.173	048488-PG-S1-97P	0	3,106
Total Preschool Grants			10,140	6,320
Total Special Education Cluster			183,052	165,779
Total U.S. Department of Education			495,588	522,863
Total Federal Assistance			\$692,497	\$718,783

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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 Cloverleaf Local 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 Cloverleaf Local School District had no significant food commodities in inventory.

CLOVERLEAF LOCAL 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 Programs:	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 34-6001694 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 <i>(To be completed by auditor)</i>	
a. Auditee name CLOVERLEAF LOCAL SCHOOL DISTRICT		a. Auditor name GARY B. FINK & ASSOCIATES, INC.	
b. Auditee address <i>(Number and street)</i> Street 8525 FRIENDSVILLE ROAD City LODI State OHIO ZIP Code 44254		b. Auditor address <i>(Number and street)</i> Street 111 BROAD STREET, SUITE 206 City WADSWORTH State OHIO ZIP Code 44281	
c. Auditee contact Name GARY BOWEN Title TREASURER		c. Auditor contact Name SCOTT K. VARNEY Title MANAGER	
d. Auditee contact telephone 330-948-2500		d. Auditor contact telephone 330-336-1706	
e. Auditee contact FAX <i>(Optional)</i> 330-948-2500		e. Auditor contact FAX <i>(Optional)</i> 330-334-5118	
f. Auditee contact E-mail <i>(Optional)</i>		f. Auditor contact E-mail <i>(Optional)</i> GBFINC@AOL.COM	

<p>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.</p>	<p>g. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 5 and 6, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.</p>
<p><i>Gary Bowen</i> <i>12-28-99</i> Signature of certifying official Date Month Day Year</p>	<p><i>[Signature]</i> <i>12-28-99</i> Signature of auditor Date Month Day Year</p>
<p><i>Gary Bowen, Treasurer</i> Name/Title of certifying official</p>	<p><i>[Signature]</i> Signature of auditor</p>

PART I GENERAL INFORMATION - Continued

8. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (X) one box)
 1 Cognizant agency 2 Oversight agency

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

01 <input type="checkbox"/> African Development Foundation 02 <input type="checkbox"/> Agency for International Development 10 <input type="checkbox"/> Agriculture 11 <input type="checkbox"/> Commerce 94 <input type="checkbox"/> Corporation for National and Community Service 12 <input type="checkbox"/> Defense 84 <input checked="" type="checkbox"/> Education 81 <input type="checkbox"/> Energy 66 <input type="checkbox"/> Environmental Protection Agency	83 <input type="checkbox"/> Federal Emergency Management Agency 34 <input type="checkbox"/> Federal Mediation and Conciliation Service 39 <input type="checkbox"/> General Services Administration 93 <input type="checkbox"/> Health and Human Services 14 <input type="checkbox"/> Housing and Urban Development 03 <input type="checkbox"/> Institute for Museum Services 04 <input type="checkbox"/> Inter-American Foundation 15 <input type="checkbox"/> Interior	16 <input type="checkbox"/> Justice 17 <input type="checkbox"/> Labor 43 <input type="checkbox"/> National Aeronautics and Space Administration 89 <input type="checkbox"/> National Archives and Records Administration 05 <input type="checkbox"/> National Endowment for the Arts 08 <input type="checkbox"/> National Endowment for the Humanities 47 <input type="checkbox"/> National Science Foundation 07 <input type="checkbox"/> Office of National Drug Control Policy	08 <input type="checkbox"/> Peace Corps 59 <input type="checkbox"/> Small Business Administration 96 <input type="checkbox"/> Social Security Administration 19 <input type="checkbox"/> State 20 <input type="checkbox"/> Transportation 21 <input type="checkbox"/> Treasury 82 <input type="checkbox"/> United States Information Agency 64 <input type="checkbox"/> Veterans Affairs <input type="checkbox"/> Other - Specify:
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PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report (Mark (X) one box)
 1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

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

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

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

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

PART III FEDERAL PROGRAMS (To be completed by auditor)

1. Type of audit report on major program compliance
 1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. What is the dollar threshold to distinguish Type A and Type B programs §_520(b)?
\$300,000

3. Did the auditee qualify as a low-risk auditee (§_530)?
 1 Yes 2 No

4. Are there any audit findings required to be reported under §_510(a)?
 1 Yes 2 No

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

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

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) 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	Type of compliance requirement ² (b) O	Amount of questioned costs (c) \$N/A	Internal control findings ³ (d) 1 <input type="checkbox"/> A 2 <input type="checkbox"/> B 3 <input checked="" type="checkbox"/> C	Audit finding reference number(s) (e) N/A
10.550	FOOD DISTRIBUTION	\$38,464	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	\$20,179	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
10.555	NATIONAL SCHOOL LUNCH PROGRAM	\$137,277	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 STATE GRANTS	\$13,036	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 (ESEA TITLE VI)	\$13,865	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
84.010	TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	\$276,603	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
84.186	SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES - STATE GRANTS	\$39,588	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
84.276	GOALS 2000 - STATE AND LOCAL EDUCATIONAL SYSTEMIC IMPROVEMENT GRANTS	\$13,992	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
84.027	SPECIAL EDUCATION - GRANTS TO STATES (TITLE VI-B FLOW-THRU)	\$159,459	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 GRANTS	\$6,320	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		\$718,783					

7. AUDIT FINDINGS AND QUESTIONED COSTS

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

- 1 Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.
- 2 Type of compliance requirement (Enter the letter(s) of all that apply to audit findings and questioned costs reported for each Federal program.)
 - A. Activities allowed or unallowed
 - B. Allowable costs/cost principles
 - C. Cash management
 - D. Davis - Bacon Act
 - E. Eligibility
 - F. Equipment and real property management
 - G. Matching, level of effort, earmarking
 - H. Period of availability of funds
 - I. Procurement
 - J. Program income
 - K. Real property acquisition and relocation assistance
 - L. Reporting
 - M. Subrecipient monitoring
 - N. Special tests and provisions
 - O. None
- 3 Type of internal control findings (Mark (X) all that apply)
 - A. Material weaknesses
 - B. Reportable conditions
 - C. None reported



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

CLOVERLEAF LOCAL 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

Clerk of the Bureau

Date: _____

JAN 20 2000