



**MODEL COMMUNITY SCHOOL
LUCAS COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

MODEL Community School
Lucas County
1615 Holland Road
Maumee, Ohio 43537-1622

To the Governing Board:

We have audited the Balance Sheet of MODEL Community School, Lucas County (MODEL) as of June 30, 1999, and the related Statement of Revenues, Expenses, and Changes in Retained earnings, and the Statement of Cash Flows for the year then ended. These financial statements are the responsibility of MODEL's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2000 on our consideration of MODEL's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Jim Petro
Auditor of State

March 7, 2000

**BALANCE SHEET
ENTERPRISE FUND
AS OF JUNE 30, 1999**

ASSETS

Current Assets:

Cash and Cash Equivalents with Fiscal Agent	\$ 179,460
Receivables:	
Intergovernmental	<u>108,300</u>
Total Current Assets	<u>287,760</u>

Non-Current Assets:

Fixed Assets (Net, where applicable, of Accumulated Depreciation)	<u>15,638</u>
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Total Assets	<u><u>\$ 303,398</u></u>
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LIABILITIES AND FUND EQUITY

Current Liabilities:

Accounts Payable	\$ 3,439
Contracts Payable	3,859
Accrued Wages and Benefits	9,720
Compensated Absences Payable	1,218
Intergovernmental Payable	<u>7,860</u>
Total Current Liabilities	<u>26,096</u>

Fund Equity:

Retained Earnings:	
Unreserved	<u>277,302</u>

Total Liabilities and Fund Equity	<u><u>\$ 303,398</u></u>
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The notes to the financial statements are an integral part of this statement.

**STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

Operating Revenues:

Foundation Payments	\$ 732,866
Disadvantaged Public Impact Aid	3,366
Other Operating Revenues	<u>11,224</u>
Total Operating Revenues	<u>747,456</u>

Operating Expenses:

Salaries	334,965
Fringe Benefits	78,271
Purchased Services	206,801
Materials and Supplies	57,453
Depreciation	3,909
Other Operating Expenses	<u>4,961</u>
Total Operating Expenses	<u>686,360</u>
Operating Income	<u>61,096</u>

Non-Operating Revenues:

Interest Earnings	2,160
Operating Grants	213,504
Other Non-Operating Revenues	<u>542</u>
Total Non-Operating Revenues	<u>216,206</u>
Net Income	277,302
Retained Earnings at Beginning of Year	<u>0</u>
Retained Earnings at End of Year	<u><u>\$ 277,302</u></u>

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash Flows from Operating Activities:

Cash Received from State of Ohio	\$ 629,250
Cash Payments to Suppliers for Goods and Services	(261,917)
Cash Payments to Employees for Services	(394,438)
Other Operating Revenue	<u>9,906</u>
Net Cash Provided/(Used) by Operating Activities	<u>(17,199)</u>

Cash Flows from Noncapital Financing Activities:

Operating Grants Received	<u>213,504</u>
Net Cash Provided by Noncapital Financing Activities	<u>213,504</u>

Cash Flows from Capital and Related Financing Activities:

Payments for Capital Acquisitions	<u>(19,005)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(19,005)</u>

Cash Flows from Investing Activities:

Interest on Investments	<u>2,160</u>
Net Cash Provided/(Used) by Investing Activities	<u>2,160</u>

Net Increase (Decrease) in Cash and Cash Equivalents 179,460

Cash and Cash Equivalents at the Beginning of the Year 0

Cash and Cash Equivalents at the End of the Year \$ 179,460

(Continued)

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
(Continued)

**RECONCILIATION OF OPERATING INCOME/(LOSS) TO
NET CASH USED BY OPERATING ACTIVITIES**

Operating Income	<u>\$ 61,096</u>
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:	
Depreciation	3,909
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(108,300)
Increase/(Decrease) in Accounts Payable	3,439
Increase/(Decrease) in Contracts Payable	3,859
Increase/Decrease) in Accrued Wages Payable	9,720
Increase/(Decrease) in Compensated Absences Payable	1,218
Increase/(Decrease) in Intergovernmental Payable	<u>7,860</u>
Total Adjustments	<u>(78,295)</u>
Net Cash Used by Operating Activities	<u><u>\$ (17,199)</u></u>

The notes to the financial statements are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 1 - DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

MODEL Community School (MODEL) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. MODEL is an approved tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect MODEL's tax-exempt status. MODEL's objective is to address the needs of students in kindergarten through third grade who are diagnosed with autism or anything within the autism spectrum of disorders. MODEL, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. MODEL may acquire facilities as needed and contract for any services necessary for the operation of the school.

MODEL was approved for operation under a contract with the Lucas County Educational Service Center (the Sponsor) for a period of five years commencing August 26, 1998. The Sponsor is responsible for evaluating the performance of MODEL and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. The sponsorship agreement states the Treasurer of the Lucas County Educational Service Center shall serve as the Chief Financial Officer of MODEL Community School, see note 12.

MODEL operates under the direction of a seven-member Governing Board. The Governing Board is responsible for carrying out the provisions of the contract which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The Governing Board controls MODEL's one instructional/support facility staffed by 19 non-certified and 6 certificated full time teaching personnel who provide services to 29 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of MODEL have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. MODEL also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The more significant of MODEL's accounting policies are described below.

A. Basis Of Presentation

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

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the balance sheet. Equity (i.e., net total assets) is segregated into

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

contributed capital and retained earnings components. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The accrual basis of accounting is used for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Budgetary Process

Unlike other public schools located in the state of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in MODEL's contract with its Sponsor. The contract between MODEL and its Sponsor does prescribe an annual budget requirement in addition to preparing a 5 year forecast which is to be updated on an annual basis.

D. Cash and Cash Equivalents

All monies received by MODEL are accounted for by MODEL's fiscal agent, the Lucas County Educational Service Center. All cash received by the fiscal agent is maintained in separate accounts in MODEL's name. Monies for all funds of MODEL are maintained in these accounts or temporarily used to purchase short-term investments.

E. Fixed Assets and Depreciation

Fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the dates received. MODEL maintains a capitalization threshold of two hundred and fifty dollars. MODEL does not possess any infrastructure.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Depreciation of furniture and equipment is computed using the straight-line method over an estimated useful life of five years. Improvements to fixed assets are depreciated over the remaining useful lives of the related fixed assets.

F. Intergovernmental Revenues

MODEL currently participates in the State Foundation Program, the State Disadvantaged Pupil Impact Aid (DPIA) Program, and the State Special Education Program. Revenues from these programs are recognized as operating revenues in the accounting period in which they are earned and become measurable.

MODEL also participates in the Charter School Grant Program through the Ohio Department of Education. Under this program, MODEL was awarded \$50,000 for the planning phase of the school and an additional \$50,000 charter school sub-grant. Additionally, the Sponsor, as part of the Lucas County pilot project, awarded MODEL \$100,000 to partially defray school start-up costs. Revenue from these programs are recognized as non-operating revenue on the accompanying financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

Commodities, grants and entitlements are recognized as non-operating revenues in the accounting period in which they are earned and became measurable.

G. Compensated Absences

Personal Leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that MODEL will compensate the employees for the benefits through paid time off or some other means. MODEL records a liability for accumulated unused personal leave time when earned for all employees.

The entire amount of compensated absences is reported as a current liability.

NOTE 3 - RECEIVABLES

Receivables at June 30, 1999, consisted of other operating revenue and intergovernmental (e.g., foundation) receivables. All intergovernmental receivables are considered collectible in full, due to the stable condition of State programs, and the current year guarantee of federal funds.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

At fiscal year end, the carrying amount of MODEL's deposits was \$22,348 and the bank balance was \$40,098. The bank balance was covered by federal depository insurance. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject MODEL to a successful claim by the FDIC.

MODEL's investments are categorized to give an indication of the level of risk assumed by MODEL at fiscal year end. Category 1 includes investments that are insured or registered for which the securities are held by MODEL or its agent in MODEL's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in MODEL's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in MODEL's name. MODEL's investments totaling \$157,112, which are maintained in a Ready Resource Savings Account (repurchase agreement) are included in Category 2.

NOTE 5 - FIXED ASSETS

A summary of MODEL's fixed assets at June 30, 1999, follows:

Furniture and Equipment	\$ 19,547
Less: accumulated depreciation	(3,909)
Net Fixed Assets	<u>\$ 15,638</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 6 - RISK MANAGEMENT

A. Property and Liability

MODEL 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. For fiscal year 1999, MODEL contracted with Harcum-Hyre Insurance Agency, Inc. for property and general liability insurance.

Professional liability is protected by Harcum-Hyre Insurance Agency, Inc. with a \$2,000,000 single occurrence limit and \$5,000,000 aggregate and no deductible.

B. Workers' Compensation

MODEL pays the State Worker's Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

C. Employee Medical, Dental, and Vision Benefits

MODEL has contracted with a private carrier to provide employee medical, dental, and vision insurance to its full time employees who work 30 or more hours per week.

NOTE 7 - DEFINED BENEFIT PENSION PLANS

A. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose the Social Security System. As of June 30, 1999, MODEL has no employees or members of the governing board who contribute to the Social Security System.

B. School Employees Retirement System

MODEL contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system 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 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 MODEL is required to contribute 14 percent; for fiscal year 1999, 7.7 percent was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. MODEL's required contribution for pension obligations to SERS for the fiscal year ended June 30, 1999 was \$29,238, 95.6 percent has been contributed for fiscal year 1999. \$1,361 representing the unpaid contribution for fiscal year 1999, is recorded as a liability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

C. State Teachers Retirement System

MODEL contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information 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 MODEL is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. MODEL's required contribution for pension obligations to STRS for the fiscal year ended June 30, 1999 was \$16,356, 100 percent has been contributed for fiscal year 1999.

NOTE 8 - POSTEMPLOYMENT BENEFITS

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

For STRS, all benefit recipients are required to pay a portion of health care costs in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Governing Board currently allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For MODEL, this amount equaled \$327 during the 1999 fiscal year.

For SERS, coverage is made available to service retirees with ten or more fiscal 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 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 3.5 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. For MODEL, the amount to fund health care benefits, including surcharge, equaled \$5,263 during the 1999 fiscal year.

NOTE 9 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining personal leave components is derived from policies and procedures approved by the Governing Board. Classified employees earn five days of personal leave per year. Personal leave is not accumulated, except for any unused personal leave as of June 30, 1999 was allowed to be carried

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

forward due to the short calendar year for MODEL. Unused personal leave is paid to classified employees upon termination of employment.

NOTE 10 - STATE 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 State's legislature 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 MODEL. During the fiscal year ended June 30, 1999, MODEL received \$732,866 of school foundation support.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of March 7, 2000, 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, MODEL 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 11 - CONTINGENCIES

Grants

MODEL received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of MODEL at June 30, 1999.

NOTE 12 - FISCAL AGENT

The sponsorship agreement states the Treasurer of the Lucas County Educational Service Center shall serve as the Chief Financial Officer of MODEL Community School. As part of this agreement, MODEL shall compensate the Lucas County Educational Service Center 2 percent of the per pupil allotments paid to MODEL from the State of Ohio.

The Treasurer of the Sponsor shall perform all of the following functions while serving as the Chief Financial Officer of the School:

1. Maintain custody of all funds received by the school in segregated accounts separate from the Sponsor's or any other Community School's funds;
2. Maintain all books and accounts of all funds of the school;

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

3. Maintain all financial records of all state funds of the school and follow State Auditor procedures for receiving and expending state funds;
4. Assist the school in meeting all financial reporting requirements established by the Auditor of Ohio;
5. For an additional fee of \$2,000 paid to the Sponsor quarterly in advance, (i) process all payroll checks and maintain all payroll checks and maintain all payroll, tax, pension and legally mandated accounts; (ii) comply with all unemployment compensation, workers compensation and federal, state and local tax reporting and payment requirements;
6. Invest funds of the school in the same manner as the funds of the sponsor are invested, but the Treasurer shall not commingle the funds with any of the Sponsor or any other community school; and
7. Pay obligations incurred by the school within a reasonable amount of time, not more than 14 calendar days after receipt of a properly executed voucher signed by the Chief Administrative Officer of the school so long as the proposed expenditure is within the approved budget and funds are available.

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

MODEL Community School
Lucas County
1615 Holland Road
Maumee, Ohio 43537-1622

To the Governing Board:

We have audited the financial statements of MODEL Community School, Lucas County (MODEL) as of and for the year ended June 30, 1999, and have issued our report thereon dated March 7, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered MODEL's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of MODEL in a separate letter dated March 7, 2000.

MODEL Community School
Lucas County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the management, Governing Board, and sponsor, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 7, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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MODEL COMMUNITY SCHOOL

LUCAS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 4, 2000**