



**OHIO COALITION FOR EQUITY AND ADEQUACY  
OF SCHOOL FUNDING  
MUSKINGUM COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED JUNE 30, 2000 - 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**OHIO COALITION FOR EQUITY AND ADEQUACY OF SCHOOL FUNDING  
MUSKINGUM COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Steering Committee  
Ohio Coalition for Equity and Adequacy of School Funding  
Muskingum County  
36 East Muskingum Avenue  
Dresden, Ohio 43821

We have audited the accompanying financial statements of Ohio Coalition for Equity and Adequacy of School Funding, Muskingum County, Ohio, (the Coalition) as of and for the years ended June 30, 2000 and June 30, 1999. These financial statements are the responsibility of the Coalition'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.

As described in Note 1, the Coalition prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balance and reserves for encumbrances of the Ohio Coalition for Equity and Adequacy of School Funding, Muskingum County, Ohio as of June 30, 2000 and June 30, 1999, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2000 on our consideration of the Coalition's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the steering committee, management and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

July 11, 2000



**OHIO COALITION FOR EQUITY AND ADEQUACY OF SCHOOL FUNDING  
MUSKINGUM COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
IN CASH BALANCE  
FOR THE YEARS ENDED JUNE 30, 2000 AND JUNE 30, 1999**

	2000	1999
Cash receipts:		
Intergovernmental	\$577,746	\$1,376,750
Miscellaneous	7,234	14,283
Total cash receipts	584,980	1,391,033
Cash disbursements:		
Refund of Dues/Memberships	1,084	2,573
Legal Services	349,755	1,030,717
Research Consultants	111,220	118,875
Executive Director	96,134	92,701
Meetings and Mileage	27,050	34,723
Supplies and Mailings	66,926	106,270
Telephone Expenses	9,843	0
Equipment	4,617	0
Video Production	69,203	0
Copier Expenses	33,817	36,176
Postage	54,901	0
Research Assistants	0	4,454
Audit Fees	0	866
Liability Insurance	523	523
Total cash disbursements	825,073	1,427,878
Total cash receipts over/(under) cash disbursements	(240,093)	(36,845)
Cash balance, July 1	506,685	543,530
Cash balance, June 30	\$266,592	\$506,685
Reserve for encumbrances	\$215,962	\$98,730

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

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**OHIO COALITION FOR EQUITY AND ADEQUACY OF SCHOOL FUNDING  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of The Entity**

The Ohio Coalition for Equity and Adequacy of School Funding, Muskingum County, Ohio (the Coalition) is a regional council of government established in January 1991. The purpose of the Coalition is to bring about greater equity and adequacy of public school funding in Ohio.

The Coalition is governed by a steering committee consisting of representatives from the membership group. The steering committee consists of not more than 78 representatives, who are Superintendents of Boards of Education that are Coalition members, plus an additional 12 representatives that need not be Board of Education Superintendents. A maximum of 78 steering committee representatives may be appointed by the Chairperson.

The major source of receipts are fees collected from the member school districts based upon the school district's average daily membership.

The Coalition's management believes these financial statements present all activities for which the Coalition is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved.)

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Fiscal Agent**

Tri-Valley Local School District, Muskingum County, Ohio (Tri-Valley), fiscal agent for the Coalition, maintains the Coalition records in accordance with the principles of fund accounting. The Coalition fund is reported as an agency fund on Tri-Valley's financial statements.

**D. Budgetary Process**

The Coalition's budget is included with the budget of Tri-Valley.

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) should not exceed appropriations at the fund, function or object level of control, and appropriations should not exceed estimated resources. The steering committee approves annual appropriations in the minutes which is included with the appropriations of Tri-Valley. This budget is approved as a monitoring device and is not a statutory requirement.

**OHIO COALITION FOR EQUITY AND ADEQUACY OF SCHOOL FUNDING  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process (Continued)**

**Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

**Encumbrances**

The Coalition reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

**E. Contract Service**

The Coalition approved the contract to pay the Executive Director for services performed. Invoices are submitted for monthly services provided. The funds used to pay this service are derived from membership fees.

**2. EQUITY IN CASH AND INVESTMENTS**

The Tri-Valley Local School District, as fiscal agent, maintains a cash pool used by all of the school's funds, including those of the Coalition. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at June 30 was as follows:

	<u>1999</u>	<u>2000</u>
Demand deposits	\$506,685	\$266,592

The Tri-Valley Local School District, as fiscal agent for the Coalition, is responsible for maintaining adequate depository collateral for all funds in the Tri-Valley Local School District's pooled deposit accounts.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended June 30, 2000 and June 30, 1999 follows:

<b>2000 Budgeted vs. Actual Receipts</b>			
	Budgeted Receipts	Actual Receipts	Variance
	\$601,845	\$584,980	(\$16,865)
Total	\$601,845	\$584,980	(\$16,865)

**OHIO COALITION FOR EQUITY AND ADEQUACY OF SCHOOL FUNDING  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

	Appropriation Authority	Budgetary Expenditures	Variance
	<u>\$780,000</u>	<u>\$1,041,035</u>	<u>(\$261,035)</u>
Total	<u><u>\$780,000</u></u>	<u><u>\$1,041,035</u></u>	<u><u>(\$261,035)</u></u>

**1999 Budgeted vs. Actual Receipts**

	Budgeted Receipts	Actual Receipts	Variance
	<u>\$575,000</u>	<u>\$1,391,033</u>	<u>\$816,033</u>
Total	<u><u>\$575,000</u></u>	<u><u>\$1,391,033</u></u>	<u><u>\$816,033</u></u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

	Appropriation Authority	Budgetary Expenditures	Variance
	<u>\$919,000</u>	<u>\$1,526,608</u>	<u>(\$607,608)</u>
Total	<u><u>\$919,000</u></u>	<u><u>\$1,526,608</u></u>	<u><u>(\$607,608)</u></u>

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

Steering Committee  
Ohio Coalition for Equity and Adequacy of School Funding  
Muskingum County  
36 East Muskingum Avenue  
Dresden, Ohio 43821

We have audited the financial statements of the Ohio Coalition for Equity and Adequacy of School Funding, Muskingum County, Ohio (the Coalition) as of and for the years ended June 30, 2000 and June 30, 1999, and have issued our report thereon dated July 11, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Coalition'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 the Coalition'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 management 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.

Steering Committee  
Ohio Coalition for Equity and Adequacy of School Funding  
Muskingum County  
Report on Compliance and Internal Control Required by  
*Government Auditing Standards*  
Page 2

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

**JIM PETRO**  
Auditor of State

July 11, 2000



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**OHIO COALITION FOR EQUITY AND ADEQUACY OF SCHOOL FUNDING**

**MUSKINGUM 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  
DECEMBER 12, 2000**