

**CLEARVIEW BOARD OF EDUCATION
REGULAR MEETING
SEPTEMBER 9, 2019
6:30 P.M.**

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

Adkins _____ Baker _____ Koziura _____ Mielcarek _____ Kokinda _____

IV. APPROVAL OF AGENDA

A. RESOLUTION 2019 - 98

That the Board approve the September agenda, as presented.

Moved _____ Seconded _____

Adkins _____ Baker _____ Koziura _____ Mielcarek _____ Kokinda _____

Passed _____ Defeated _____

**V. RECOGNITION OF VISITORS AND HEARING OF THE PUBLIC ON
AGENDA ITEMS ONLY. (Please see Public Participation at Board Meetings.)**

VI. APPROVAL OF THE MINUTES

A. RESOLUTION 2019 - 99

That the minutes of the regular meeting held on August 12, 2019 at 6:30 p.m. be approved as submitted.

Moved _____ Seconded _____

Adkins _____ Baker _____ Koziura _____ Mielcarek _____ Kokinda _____

Passed _____ Defeated _____

VII. TREASURER'S BUSINESS AND REPORTS

A. RESOLUTION 2019 – 100

That the Board approve the following recommended by the Treasurer as follows:

1. Approve the following Student Activities for the 2019-2020 School Year:

- DMS 6th Grade Class 200-9117
- Vincent Music 200-9370
- DMS Softball 300-9347
- Drama 200-9203
- Student Council 200-9220
- National Honor Society 200-9317
- Class of 2021 200-9381
- DMS 8th Grade Class 200-9120
- DMS 5th Grade Class 200-9116
- DMS 7th Grade Class 200-9118
- DMS Yearbook 200-9121
- DMS NJHS 200-9320
- DMS Student Council 200-9123
- Girls Basketball 300-9354
- Bowling 300-9356
- Track 300-9352
- Football 300-9349
- Wrestling 300-9353
- Cross Country 300-9351
- Boys Basketball 300-9346
- Volleyball 300-9348
- Cheerleading 300-9355
- Baseball 300-9345

2. Approve the following Change Fund for the 2019-2020 fiscal year ending June 30, 2020.

CHS & DMS Athletics = \$1,500.00

3. Approve the 2019-2020 permanent appropriation and amendment to the certificate of estimated resources. **EXHIBITS**

4. Approve a contract with the Ohio Auditor of State for the purpose of conducting the annual audit for the period ending June 30, 2019 in the amount of \$16,523.00, with a provision for an addendum as deemed necessary. **EXHIBIT**

5. Approve the construction of the Clearview Local School District's Transportation/Maintenance facility on North Ridge Road, Lorain, OH 44052 to include a Salt Storage Structure per the following estimated time line at an estimated cost of \$1.5m to \$1.8m to be paid from the general fund.

- 11-22-19 Completion of construction documents
- 01-31-20 Bidding Phase
- 10-02-20 Construction completion [weather permitting]
- 10-30-20 Project close-out

Project Architect and Construction Management:
GPD Group Architects, Engineers and Planners
520 South Main Street, Suite 2531
Akron, OH 44311
330-572-2291

Moved _____ Seconded _____

Adkins _____ Baker _____ Koziura _____ Mielcarek _____ Kokinda _____

Passed _____ Defeated _____

VIII. COMMUNICATIONS

IX. BOARD MEMBER REPORTS

- a. President's Club – Kokinda, Mielcarek
- b. Delegate to OSBA – Kokinda, Alternate; Koziura
- c. J.V.S. Board Member – Marcucci
- d. Educational Foundation - Adkins
- e. Curriculum – Adkins, Kokinda,

X. OLD BUSINESS

A. RESOLUTION 2019 - 101

That the Board amend **RESOLUTION 2019-18** to reflect that **NORMA MUNIZ** should have been hired as a Step "1" for the Latchkey Monitor (a.m.) position, instead of Step "0".

Moved _____ Seconded _____

Adkins _____ Baker _____ Koziura _____ Mielcarek _____ Kokinda _____

Passed _____ Defeated _____

B. RESOLUTION 2019 - 102

That the Board amend **RESOLUTION 2019-92** to remove **GEORGE WACHOWIAK** from the supplemental list as Student Council Advisor.

Moved _____ Seconded _____

Adkins _____ Baker _____ Koziura _____ Mielcarek _____ Kokinda _____

Passed _____ Defeated _____

XI. NEW BUSINESS

A. RESOLUTION 2019 - 103

That the Board approve the following Certified and Classified personnel actions for the 2019-2020 school year, in accordance with Board policy and/or the negotiated agreements, as recommended by the Superintendent.

CERTIFIED

Employ

STEVE HUNTER, One-Year Limited Teaching Contract, Phys. Ed/Health Teacher (.5), Clearview High School, MA +30, Step "8", on the negotiated salary schedule, effective 8/19/19

Substitute Teacher

The following teacher to be added to the substitute list to work on a casual day to day, as needed basis: **STEVE HUNTER** and **WENDY LACHMAN** at a rate of \$100.00 a day

Tuesday/Thursday School Teachers

The following to be paid at the curriculum rate of pay as needed: **DENISE LESH, SARAH SZCZEPANSKI**, and substitute **KARI COOLEY**

After School Detention Teachers

The following to be paid at the curriculum rate as needed: **STEPHANIE STILLWAGON,**
and **LURLENE WEST**

Clearview Academy Teachers

The following teachers to be paid at the tutor rate of pay as needed: **HOPE EVANS,**
PAULA PHILLIPS, and **GEORGE WACHOWIAK**

Stipend

HOLLY MILLER, to be paid \$1,500.00 for yearbook stipend

Athletic Trainer

JASON CHRISTNER, \$25.00 an hr.

Resignation

STEPHANIE JONES, Intervention Specialist at VES, effective 6/24/19

Home Instruction Tutors

The following employees to be paid the tutor rate of pay for home instruction: **HILLARY**
RIOS, SCOTT SLOBODA, JOSEPH STRADER, LYNN MAECKER, JOEL
GLEASON, DENSIE LESH, THOMASINA DRYDEN, and **RYAN LEWIS**

Supplemental

DEBORAH MOLNAR, Lead Mentor
GEORGE WACHOWIAK, Student Council Co-Advisor (.5)
JACOB WARD, Student Council Co-Advisor, (.5)
STEPHANIE LEONHARDT, Special Education
SEAN HOGAN, Special Education
KELLY MCMILLION, Special Education
LAUREN SAYERS, Special Education
MARK MAJORAS, Special Education
LYNN MAECKER, Special Education
CHAD SZALAY, Special Education
HILLARY RIOS, Special Education
HOPE EVANS, Special Education
LAURA GOLAK, Special Education
JASON STEADMAN, Special Education
NICHOLAS DIMACCHIA, Special Education
ANNE SCHWARTZ, Special Education
MOLLY KLONK, Special Education
JULIA FEICKS, Special Education
ROSANNA DARBY, Special Education

CLASSIFIED

Substitute Workers on an as needed basis:

TRACY WIND, DENISE ENDERLE

Employ

ALVIN KIZER, Initial Probationary One Year Contract, Bus Driver, up to 3.75 hrs. a day, Step "0", pro-rated 185 day contract, effective 8/22/19

MISTIE HEIKEN, Initial Probationary One Year Contract, Asst. Cook at Vincent Elementary, 6.5 hrs. a day, Step "0", pro-rated 190 day contract, effective 8/26/19

KATHLEEN DISCENZO, Initial Probationary One Year Contract, Cleaner at Durling Middle, 5 hrs. a day, Step "0", pro-rated 187 day contract, effective 8/30/19

CARMEN BELTRAN, on a Temporary basis as Assistant Cook at Clearview High, 6.5 hrs. a day, Step "0", effective 8/28/19

Resignation

EMMANUEL QUILES, Cleaner, effective 8/14/19

Stipend for Jump Into Kindergarten Event

CINDY CALDWELL, called parents July 2019 for the August 8, 2019 event

Moved _____ Seconded _____

Adkins _____ Baker _____ Koziura _____ Mielcarek _____ Kokinda _____

Passed _____ Defeated _____

B. RESOLUTION 2019 – 104

That the Board approve the following resolutions recommended by the Superintendent and/or Treasurer, as follows:

1. Accept the following donation from:
 - a) Clearview Alumni Association, in the amount of \$300.00, to Clearview High School for school supplies.
2. Approve **MARIE TERNES'** trip to Chicago scheduled for October 11, 2019.
3. Approve **MARIE TERNES'** and **GEORGE WACHOWIAK'S** senior trip to Gettysburg, Williamsburg, Virginia Beach, Norfolk, and Monticello scheduled for April 6-9, 2020.

Moved _____ Seconded _____

Adkins _____ Baker _____ Koziura _____ Mielcarek _____ Kokinda _____

Passed _____ Defeated _____

XII. SUPERINTENDENT'S REPORT

XIII. TREASURER'S REPORT

XIV. COMMENTS AND QUESTIONS FROM THE BOARD

XV. CLEARVIEW EDUCATION ASSOCIATION

XVI. HEARING OF THE PUBLIC ON NONAGENDA ITEMS

(Please see Public Participation at Board Meetings)

XVII. EXECUTIVE SESSION

A. RESOLUTION 2019 – 105

Pursuant to Ohio Revised Code Section 121.22 (G)(1), that the Board enter into Executive Session for the purpose of discussing the employment of public employees, the purchase of property for public purposes or the sale of property at competitive bidding, and reviewing negotiations. Superintendent and Treasurer to attend. No action to be taken.

Moved _____ Seconded _____

Adkins _____ Baker _____ Koziura _____ Mielcarek _____ Kokinda _____

Passed _____ Defeated _____

XVIII. ADJOURNMENT

A. RESOLUTION 2019 - 106

That the regular meeting of September 9, 2019 be adjourned.

Moved _____ Seconded _____

Adkins _____ Baker _____ Koziura _____ Mielcarek _____ Kokinda _____

Passed _____ Defeated _____

EXHIBITS

STATEMENT OF FUND ACTIVITY
Resolution #2019- Permanent Appropriation 2019-2020
Clearview Local Schools

<u>FUNDS</u>	<u>FUND</u>	<u>09/09/19</u> <u>Appropriations</u>
Government Fund Types		
General	001	18,626,105.00
Emergency	016	1,296,900.00
Principals' Funds	018	74,273.59
Total General Fund		<u>19,997,278.59</u>
Debt Service		
Bond Retirement	002	501,016.00
Total Debt Service		<u>501,016.00</u>
Capital Projects		
Permanent Improvement	003	116,500.00
Total Capital Projects		<u>116,500.00</u>
Special Revenue		
Trust Fund	007	50,133.33
Local Grants	019	75,996.17
Classroom Facilities - Maintenance	034	150,000.00
Athletics	300	233,004.91
OneNet	451	5,800.00
State Grants	499	8,943.95
Race To The Top	506	3,165.04
Title VI B	516	315,562.33
Title I	572	432,891.85
IDEA Pre-school Handicapped	587	4,406.79
Title II-A	590	59,880.90
Miscellaneous Federal Grants	599	30,703.73
Total Special Revenue		<u>1,370,489.00</u>
Total Government		21,985,283.59
Proprietary Fund Types - Enterprise		
Food Service	006	1,078,985.00
Uniform School Supplies	009	237.30
Latchkey	020	90,714.61
Total Enterprise		<u>1,169,936.91</u>
District Agency	022	162,682.35
Student Activities	200	178,496.77
Total Fiduciary		<u>341,179.12</u>
Total FY19 Permanent Appropriations		<u><u>23,496,399.62</u></u>

STATEMENT OF FUND ACTIVITY
FY20 Estimated Resources Amendment 09-09-19
Clearview Local Schools

		<u>Estimated Resources plus Carry Over</u>	<u>Appropriation Amendment 9/9/2019</u>	<u>Appropriation Above (Below) Est. Resources</u>
General Fund Type				
General	001	32,039,195.16	18,626,105.00	(13,413,090.16)
Emergency	016	1,327,147.33	1,296,900.00	(30,247.33)
Public School Support	018	82,141.24	74,273.59	(7,867.65)
		<u>33,448,483.73</u>	<u>19,997,278.59</u>	<u>(13,451,205.14)</u>
Debt Service Fund Type				
Bond Retirement	002	823,293.24	501,016.00	(322,277.24)
		<u>823,293.24</u>	<u>501,016.00</u>	<u>(322,277.24)</u>
Capital Improvements Fund Type				
Permanent Improvement	003	159,852.44	116,500.00	(43,352.44)
		<u>159,852.44</u>	<u>116,500.00</u>	<u>(43,352.44)</u>
Special Revenue Fund Type				
Special Grants	007	50,133.33	50,133.33	-
Other Local Grants	019	96,110.65	75,996.17	(20,114.48)
Classroom Facilities Maintenance	034	296,230.57	150,000.00	(146,230.57)
Dist. Managed Activities	300	245,234.46	233,004.91	(12,229.55)
Data Communications	451	16,200.00	5,800.00	(10,400.00)
Misc. State Grants	499	48,943.95	8,943.95	(40,000.00)
RttT	506	3,165.04	3,165.04	-
Title VIB	516	375,969.04	315,562.33	(60,406.71)
Title IA Improving Basic Programs	572	467,802.97	432,891.85	(34,911.12)
Preschool Handicapped	587	4,406.79	4,406.79	-
Title IIA Supporting Effective Instr.	590	72,541.72	59,880.90	(12,660.82)
Misc. Federal Grants	599	47,146.53	30,703.73	(16,442.80)
		<u>1,723,885.05</u>	<u>1,370,489.00</u>	<u>(353,396.05)</u>
Total Government		36,155,514.46	21,985,283.59	(14,170,230.87)
Proprietary/Enterprise Fund Type				
Food Service	006	1,189,108.43	1,078,985.00	(110,123.43)
Uniform School Supplies	009	237.30	237.30	-
Latchkey	020	157,200.08	90,714.61	(66,485.47)
		<u>1,346,545.81</u>	<u>1,169,936.91</u>	<u>(176,608.90)</u>
Agency Fund Type				
Unclaimed Monies	022	202,342.43	162,682.35	(39,660.08)
Student Managed Activities	200	184,865.61	178,496.77	(6,368.84)
		<u>387,208.04</u>	<u>341,179.12</u>	<u>(46,028.92)</u>
Total		<u>37,889,268.31</u>	<u>23,496,399.62</u>	<u>(14,392,868.69)</u>

Clearview Local Schools
FY20 Estimated Resources Amendment 07-16-19

<u>FUNDS</u>	<u>FUND</u>	<u>ESTIMATED RESOURCES</u>	<u>CARRYOVER</u>	<u>TOTAL</u>
Government Fund Types				
General	001	17,939,091.00	14,100,104.16	32,039,195.16
Emergency	016	1,234,022.00	93,125.33	1,327,147.33
Principal's Funds	018	41,570.62	40,570.62	82,141.24
Total General Fund		19,214,683.62	14,233,800.11	33,448,483.73
Debt Service				
Bond Retirement	002	493,966.00	329,327.24	823,293.24
Total Debt Service		493,966.00	329,327.24	823,293.24
Capital Projects				
Permanent Improvement	003	89,897.00	69,955.44	159,852.44
Total Capital Projects		89,897.00	69,955.44	159,852.44
Special Revenue				
Trust Fund	007	26,350.00	23,783.33	50,133.33
Local Grants	019	69,994.48	26,116.17	96,110.65
Classroom Facilities - Maintena	034	79,589.00	216,641.57	296,230.57
Athletics	300	175,000.00	70,234.46	245,234.46
OneNet	451	5,400.00	10,800.00	16,200.00
State Grants	499	0.00	48,943.95	48,943.95
Race To The Top	506	0.00	3,165.04	3,165.04
Title VI-B	516	455,717.71	(79,748.67)	375,969.04
Title I	572	467,845.05	(42.08)	467,802.97
Title VI-B Preschool	587	4,406.79	-	4,406.79
Improving Teaching Quality	590	72,967.76	(426.04)	72,541.72
Medicaid	599	49,643.11	(2,496.58)	47,146.53
Total Special Revenue		1,406,913.90	316,971.15	1,723,885.05
Total Government		21,205,460.52	14,950,053.94	36,155,514.46
Proprietary Fund Types - Enterprise				
Food Service	006	832,000.00	357,108.43	1,189,108.43
Uniform School Supplies	009	0.00	237.30	237.30
Latchkey	020	91,545.72	65,654.36	157,200.08
Total Enterprise		923,545.72	423,000.09	1,346,545.81
Total Proprietary				
District Agency	022	169,560.92	32,781.51	202,342.43
Student Activities	200	135,000.00	49,865.61	184,865.61
Total Fiduciary		304,560.92	82,647.12	387,208.04
Total FY 14 Estimated Resources		22,433,567.16	15,455,701.15	37,889,268.31

OHIO AUDITOR OF STATE KEITH FABER



EXHIBIT VII.A.4,
Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

September 04, 2019

Mary Ann Nowak, Treasurer/CFO
Clearview Local School District

This letter of arrangement between the Clearview Local School District (the District) and the Auditor of State describes the objective and scope of the services we will provide, the District's required involvement and assistance in support of our services, the related fee arrangements, and other terms and conditions designed to ensure that our professional services satisfy the District's audit requirements.

Summary of Services

We will audit the District's basic financial statements as of and for the year ended June 30, 2019. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. The objective of an audit is to express our opinion concerning whether the basic financial statements and related notes present fairly, in all material respects, the District's cash receipts, disbursements and balances in accordance with the District's accounting basis.

We will audit to form an opinion on the financial statements. We will also opine on whether the Schedule of Expenditures of Federal Awards is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

We expect to deliver our report on or about November 30, 2019.

We will read other information such as the *Management's Discussion and Analysis*, in order to identify material inconsistencies, if any, with the audited financial statements.

Engagement Team

The engagement will be led by:

- * William J Ward, CPA, Assistant Chief Auditor, who will be responsible for assuring the overall quality, value, and timeliness of our services to you;
- * Brian M. McQuinn, Senior Audit Manager, who will be responsible for managing the delivery of our services to you; and
- * Kynee N. Cortes, Audit Manager, who will be responsible for on-site administration of our services to you.

The Auditing Process

Our Responsibilities:

The *Summary of Services* above describes our responsibilities for the District's basic financial statements.

We will conduct our audit in accordance with U.S. generally accepted auditing standards (GAAS) and the Comptroller General of the United States' standards for financial audits in *Government Auditing Standards*, the Single Audit Act Amendments of 1996, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards require that we plan and perform the audit to reasonably assure that the financial statements are free of material misstatement.

Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatement may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

We may limit certain procedures to selective testing of data. Therefore we might not detect material error and fraud if it exists. It is not cost-efficient to design procedures to detect immaterial error or immaterial fraud. Also, because of the characteristics of fraud, including attempts at concealment through collusion and forgery, a properly designed and executed audit may not detect a material fraud.

We will communicate all instances where we believe fraud *may* exist to you. These would include instances where we:

- Have persuasive evidence that fraud occurred.
- Determined fraud risks exist and were unable to obtain convincing evidence to determine that fraud was unlikely.

Similarly, noncompliance may have occurred. However, our audit provides no assurance that noncompliance generally will be detected and only reasonable assurance that we will detect noncompliance directly and materially affecting the determination of financial statement amounts. We will inform you regarding material error or noncompliance that come to our attention.

If we find indications of abuse, we will expand our tests to determine its financial statement effect. *Government Auditing Standards* defines *abuse* as behavior which while not necessarily a legal violation, is behavior a prudent person would deem improper or deficient. Because this determination is subjective, *Government Auditing Standards* does not expect auditors to provide reasonable assurance of detecting abuse.

If for any reason we are unable to complete the audit or are unable to form an opinion, we may disclaim an opinion on your financial statements. In this unlikely event, we will communicate the reason for disclaiming an opinion to you, and to those charged with governance, in writing.

Your Responsibilities and Identification of the Applicable Reporting Framework:

We will audit assuming management and those charged with governance acknowledge and understand they are responsible for:

1. Preparing the financial statements and other financial information, including related disclosures and selecting and applying accounting principles in accordance with the District's accounting basis. This includes compliance with Ohio Admin. Code § 117-2-01 which requires designing, implementing and maintaining internal controls relevant to preparing and fairly presenting financial statements free from material misstatement whether due to fraud or error.

2. Providing us with:
 - a. Access to all information of which management is aware that is relevant to preparing and fairly presenting the financial statements such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the audit; and
 - c. Unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.
3. Inform us of events occurring or facts discovered subsequent to the date of the financial statements, of which management may become aware, that may affect the financial statements.
4. Preparing supplementary information (including the Schedule of Expenditures of Federal Awards) in accordance with the applicable criteria.
 - a. Include our report on the supplementary information in any document that includes the supplementary information and that indicates that the auditor has reported on this supplementary information.
 - b. Present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the District of the supplementary information and the auditor's report thereon.
5. Reporting fraud and noncompliance of which you are aware to us.
6. Making available to the auditor draft financial statements and any accompanying other information in time to allow the auditor to complete the audit in accordance with the proposed timeline.
7. Reviewing drafts of the audited financial statements, footnotes, any supplemental information, auditor's reports and any findings; and informing us of any edits you believe may be necessary.
8. Designing and implementing programs and controls to prevent and detect fraud.

You should not rely on our audit as your primary means of detecting fraud.

Compliance with Laws and Regulations

Our Responsibilities

As part of reasonably assuring whether the financial statements are free of material misstatement, we will test the District's compliance with certain provisions of laws, regulations, contracts, and grants if noncompliance might reasonably directly and materially affect the financial statements. However, except for major federal financial assistance programs, our objective is not to opine on overall compliance with these provisions.

Your Responsibilities:

Management and those charged with governance are responsible for:

1. Being knowledgeable of, and complying with, laws, regulations, contracts, and grants applicable to the District.
2. Identifying for us other financial audits, attestation engagements, performance audits, internal audits reports from regulators or other studies related to the District (if any), and the corrective actions taken to address these audits' significant findings and recommendations.
3. Tracking the status of prior audit findings.
4. Taking timely and appropriate steps to remedy fraud, noncompliance, violations of provisions of laws, regulations, contracts or grant agreements, or abuse we may report.
5. Providing your views and planned corrective action on audit findings we may report.

Internal Control

Our Responsibilities:

As a part of our audit, we will obtain an understanding of your District and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses.

In assessing risk, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of opining on the effectiveness of the District's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

Your Responsibilities:

Design, implement and maintain internal control relevant to compliance and the preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error. Appropriate supervisory reviews are necessary to reasonably assure that adopted policies and prescribed procedures are followed.

Your Responsibility for Service Organizations:

Service organizations are other governmental entities, organizations or companies that provide services to you, as the user entity, relevant to your internal controls over financial reporting. Service organizations process transactions reflected in your District's financial statements, and therefore fall within the scope of our audit. While service organizations are responsible for establishing and maintaining their internal control, you are responsible for being aware of the service organizations your District uses, and for establishing controls to monitor the service organization's performance. Because the complexity of service organization transaction processing can vary considerably, your monitoring activities can vary accordingly.

When transaction processing is complex and the volume of transactions is relatively high, obtaining and reviewing a service organization auditor's *Independent Service Auditor's Report on Management's Description of a Service Organization's System and the Suitability of the Design and Operating Effectiveness of Controls* Report (Type 2 Service Organization Control Report (SOC 1)) may be the most effective method of meeting your responsibility to monitor a service organization, and may also be the only efficient means by which we can obtain sufficient evidence regarding their internal controls. AT Section 801, *Reporting on Controls at a Service Organization* for service organization reports dated prior to May 1, 2017 and AT-C Section 320, *Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting* for service organization reports dated on or after May 1, 2017 discuss the aforementioned report. (In some circumstances, we can accept a suitably-designed agreed-upon procedures report (AUP) in lieu of a SOC 1 report.)

You are responsible for informing our staff of the service organizations your District uses, and for monitoring these service organizations' performance.

Service organizations of which we are aware are:

- META, which provides your District's accounting software
- Lorain County, which assesses, bills, collects, and remits your Districts property taxes

Please confirm to us that, to the best of your knowledge, the above listing is complete.

Of the service organizations above, those for which we believe the complexity of processing and volume of transactions warrant a SOC 1 (or AUP) report are:

- META, which provides your District's accounting software

Without an acceptable SOC 1 or AUP report for the above-listed organizations, generally accepted auditing standards may require us to qualify our opinion on your District's financial statements due to an insufficiency of audit evidence regarding service organization transactions included in your District's financial statements. You are responsible for communicating the need for a SOC 1 or AUP report to these service organizations.

Because the Auditor of State performs the attestation engagement for META, you need not contact us regarding your deadline. However, you should read our most recent META report as part of your monitoring activities.

Additional Responsibilities and Reporting Under the Uniform Guidance

Our Responsibilities:

For grant funding subject to the Uniform Guidance, as the Guidance requires, we will test controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to opine on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

Additionally, the Uniform Guidance requires that we also plan and perform the audit to reasonably assure whether the auditee has complied with applicable federal statutes, regulations, and terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* for the types of compliance requirements that could directly and materially affect each of your major programs.

In accordance with the Uniform Guidance, we will prepare the following report:

Independent Auditor's Report on Compliance with Requirements Applicable To the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Our report on compliance will include our opinion on compliance with major federal financial assistance programs and also describe instances of noncompliance with Federal requirements we detect that require reporting per the Uniform Guidance. This report will also describe any significant deficiencies and /or material weaknesses we identify relating to controls used to administer Federal award programs. However, this report will not opine on internal control used to administer Federal award programs.

We are also responsible for completing certain parts of OMB Form SF-SAC (the Data Collection Form).

Your Responsibilities:

You are responsible for identifying federal statutes, regulations and the terms and conditions relating to Federal award programs, and for complying with them. You are responsible for compiling the Schedule of Expenditures of Federal Awards and accompanying notes.

For grant funding subject to the Uniform Guidance, you are required to establish and maintain effective internal controls to reasonably assure compliance with federal statutes, regulations and terms and conditions of federal awards and controls relating to preparing the Schedule of Expenditures of Federal Awards. Additionally, you are responsible for evaluating and monitoring noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; taking prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly following up and taking corrective action on reported audit findings; and for preparing a summary of schedule of prior audit findings and a separate corrective action plan.

You are responsible for informing us of significant subrecipient relationships and contractor relationships (previously known as vendor relationships), when the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for completing your District's Data Collection Form and assuring the reporting package (including the Data Collection Form) is filed in accordance with the electronic submission requirements.

You are responsible for providing electronic files that are unlocked, unencrypted and in an 85% text searchable PDF format for your District's single audit submission of the reporting package to the Federal Audit Clearinghouse.

Representations from Management

Your Responsibilities

Upon concluding our engagement, management and, when appropriate, those charged with governance will provide to us written representations about the audit that, among other things, will confirm, to the best of their knowledge and belief:

- Management's responsibility for preparing the financial statements in conformity with the District's accounting basis, and the Schedule of Expenditures of Federal Awards in conformity with the Uniform Guidance;
- The availability of original financial records and related data, the completeness and availability of all minutes of the legislative or other bodies and committee meetings;
- Management's responsibility for the District's compliance with laws and regulations;
- The identification and disclosure to the auditor of all laws, regulations, and provisions of contracts and grant agreements directly and materially affecting the determination of financial statement amounts and;
- The absence of fraud involving management or employees with significant roles in internal control.

Additionally, we will request representations, as applicable, regarding:

- The inclusion of all components, and the disclosure of all joint ventures and other related organizations;
- The proper classification of funds and fund balances;
- The proper approval of reserves of fund equity;
- Compliance with laws, regulations, and provisions of contracts and grant agreements, including budget laws or ordinances; compliance with any tax or debt limits, and any debt covenants;
- The identification of all federal assistance programs, and compliance with grant requirements.
- Events occurring subsequent to the fiscal year end requiring adjustment to or disclosure in the financial statements or Schedule of Expenditures of Federal Awards.

Management is responsible for adjusting the financial statements to correct misstatements we may detect during our audit and for affirming to us in the representation letter that the effects of any uncorrected misstatements we aggregate during our engagement and pertaining to the latest period the statements present are immaterial, both individually and in the aggregate, to the opinion units. (*Financial statements* include the related footnotes and required and other supplemental information).

Communication

Our Responsibilities

As part of this engagement the Auditor of State will communicate certain additional matters (if applicable) to the appropriate members of management and to those charged with governance. These matters include:

- The initial selection of and changes in significant accounting policies and their application;
- The process management uses to formulate particularly sensitive accounting estimates and the basis for their conclusions regarding the reasonableness of those estimates;
- Audit adjustments, whether posted or waived;
- Any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the financial statements or our opinion;
- Our views about matters that were the subject of management's consultation with other accountants about auditing and accounting matters;

- Major issues that were discussed with management related to retaining our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards; and
- Serious difficulties we encountered in dealing with management during the audit.

We will present those charged with governance our Summary of Identified Misstatements (if any) at the conclusion of our audit.

Terms and Conditions Supporting Fee

As a result of our planning process, the District and the Auditor of State have agreed to an approach designed to meet the District's objectives for an agreed-upon fee, subject to the following conditions.

Our Responsibilities:

In providing our services, we will consult with the District regarding matters of accounting, financial reporting or other significant business issues. Accordingly, our fee includes estimated time necessary for this consultation. Circumstances may require the Auditor of State to confirm balances with your financial institution resulting in additional nominal charges which will not require an amendment to this agreement. However, should a matter require research, consultation or audit work beyond this estimate, the Auditor of State and the District will agree to an appropriate revision in services and fee. These revisions will also be set forth in the form of the attached *Amendment to Letter of Arrangement*.

Your Responsibilities:

The District will provide in a timely manner all financial records and related information to us, an initial list of which will be furnished to you, including timely communication of all significant accounting and financial reporting matters, as well as working space and clerical assistance as mutually agreed upon and as is normal and reasonable in the circumstances. When and if for any reason the District is unable to provide these schedules, information and assistance, the Auditor of State and the District will mutually revise the fee to reflect additional services, if any, we require to achieve these objectives. These revisions will be set forth in the form of the attached *Amendment to Letter of Arrangement*.

Confidential Information:

You should make every attempt to minimize or eliminate the transmission of personal information to the Auditor of State (AOS). All documents you provide to the AOS in connection with our services including financial records and reports, payroll records, employee rosters, health and medical records, tax records, etc. should be redacted of any personal information. Personal information includes social security numbers, date of birth, drivers' license numbers or financial institution account numbers associated with an individual. The public office should redact all personal information from electronic records before they are transmitted to the AOS. This information should be fully blacked out in all paper documents prior to sending to the AOS. If personal information cannot be redacted from any records or documents; the public office must identify these records to the AOS.

If redacting this personal information compromises the audit or the ability to prepare financial statements, the public office and the AOS will consider these exceptions on a case-by-case basis. Additionally, if redacting this information creates a hardship on the public office in terms of resources, recordkeeping or other issues, the public office and the AOS may collaborate on alternative methods of providing the public office's data to the AOS without compromising the personal information of individuals served by the public office. The AOS is willing to work with the public office and it is our intent to greatly reduce the amount of personal information submitted to the AOS for audit or financial statement preparation purposes. It is important that the public office review internal policies to find ways to eliminate as much personal information from financial records as possible by substituting non-personal information (i.e., change social security numbers to employee identification numbers).

Fee

Except for any changes in fees and expenses which may result from the circumstances described above, we expect our fees and expenses for our audit services will not exceed \$16,523.

Pursuant to Ohio Rev. Code Section 117.13, you may charge all of this audit's cost to the general fund or you may allocate the cost among the general fund and other eligible funds.

Reporting

We will issue a written report upon completing our audit of your financial statements. We will address our report to those charged with governance. We cannot assure you that we will issue an unmodified opinion. Circumstances may arise in which it is necessary for us to modify our opinion, add an 'other matter' or emphasis-of-matter paragraph, or withdraw from the engagement.

Upon completing our audit, we will also issue a written report in accordance with Government Auditing Standards on internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

Access to Our Reports and Working Papers

AU-C 905—*Alert That Restricts the Use of the Auditor's Written Communication*, requires our reports to disclose the following:

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards:

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance:

This report only describes the scope of our internal control compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

AU-C 905 requires us to include this restrictive language in our reports due to concerns that other readers may not fully understand the purpose of the report, the nature of the procedures applied in its preparation, the basis or assumptions used in its preparation, the extent to which the procedures performed are generally known or understood, and the potential for the report to be misunderstood, when taken out of the context for which it was intended.

However, under Revised Code Section 117.26, an audit report becomes a public record under Section 149.43, Revised Code, when we file copies of the report with the public officers enumerated in the Revised Code. When we file the reports, our working papers become available to the public upon request, subject to information protected for criminal investigations, by attorney-client privilege or by local, state or federal law. AU-C 905 does not affect public access to our reports or working papers.

Under generally accepted auditing standards, we must retain working papers for five years after the release date of our opinion. However, AOS policy requires we retain working papers for seven years or longer, as needed.

Peer Review Report

As required by *Government Auditing Standards*, we have made our most recent external quality control review report (Peer Review) publicly available, at [https://www.ohioauditor.gov/publications/Peer Opinion 2018.pdf](https://www.ohioauditor.gov/publications/Peer%20Opinion%202018.pdf)

Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. The Auditor of State received a peer review rating of *pass*.

Please sign and return this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities. If you have any questions, please call Brian McQuinn at (216) 787-5828.

Sincerely,

KEITH FABER
Auditor of State



Digitally signed by William J.
Ward
Date: 2019.09.04 15:33:40
-04'00'

William J. Ward, CPA
Assistant Chief Auditor, Northeast Region

Attachment

cc: Board of Education
Superintendent

ACCEPTED BY

DATE

TITLE

2 CFR Part 200 REPORTING PACKAGE

2CFR Part 200 Ref.	Item	Responsibility	
		Auditee	Auditor
.508(b); .510(a)	Financial Statements	✓	
.515(a)	Report (opinion) on financial statements		✓
.508(b); .510(b)	Schedule of Expenditures of Federal Awards	✓	
.515(a)	Report ("in-relation-to" opinion) on Schedule of Expenditures of Federal Awards		✓
.515(b)	Report on Compliance and Internal Controls - Financial Statements		✓
.515(c)	Report on Compliance and Internal Controls - (Major) Federal Awards		✓
.515(d)	Schedule of Findings and Questioned Costs ¹		✓
.508(c); .511(a),(b)	Schedule of Prior Audit Findings ²	✓	
.512(a), (b)	Data Collection Form ³	✓	✓
.511(c)	Corrective Action Plan ⁴	✓	

¹ Required in all cases

² Required in all cases

³ You may only submit the reporting package and Data Collection Form electronically. The reporting package will be uploaded and will be submitted along with the Data Collection Form. The Federal Audit Clearinghouse will distribute the required reporting packages to the Federal agencies per Section __.512(g) of the Uniform Guidance, if the audit requires distribution to a Federal-funding agency. Complete the auditee certification process and submit the single audit reporting package and the Data Collection Form electronically to the Federal Audit Clearinghouse within the earlier of 30 days after receipt of our reports or nine months after the end of the audit period.

⁴ Required for any GAGAS level or UG findings

**SAMPLE
AMENDMENT #___ TO LETTER OF ARRANGEMENT**

[Date]

[ENGAGEMENT LETTER ADDRESSEE]

Dear _____:

The letter of arrangement dated _____ between the Auditor of State and the District is hereby amended to reflect the following:

Description of / Causes for Amendment	Estimated Fee Effect
1	
2	
3	
4	
Total this amendment	\$0.00
Previous fee estimate	
Revised fee estimate	\$0.00

Please sign the copy of this letter in the space provided and return it to us. If you should have any questions, please call _____ at _____.

Sincerely,

KEITH FABER
Auditor of State

[NAME OF CHIEF AUDITOR]
Chief Auditor, [NAME] Region

cc: [Engagement Letter cc's]

ACCEPTED BY

DATE

TITLE