



**ALLIANCE FOR ADEQUATE SCHOOL FUNDING  
CUYAHOGA COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**ALLIANCE FOR ADEQUATE SCHOOL FUNDING  
CUYAHOGA COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Alliance For Adequate School Funding  
Cuyahoga County  
5700 West Canal Road  
Valley View, Ohio 44125

To the Executive Committee:

We have audited the accompanying financial statements of the Alliance For Adequate School Funding, Cuyahoga County, Ohio, (Alliance) as of and for the years ended June 30, 2000 and June 30, 1999. These financial statements are the responsibility of the Alliance's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

As described in Note 1, the Alliance 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 fund cash balances of the Alliance For Adequate School Funding, Cuyahoga 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 October 11, 2000 on our consideration of the Alliance's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management, Executive Committee and other officials authorized to receive this report under § 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

October 11, 2000

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**ALLIANCE FOR ADEQUATE SCHOOL FUNDING  
CUYAHOGA COUNTY  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - GENERAL FUND  
FOR THE YEARS ENDED JUNE 30, 2000 AND JUNE 30, 1999**

	<u>2000</u>	<u>1999</u>
<b>Cash Receipts:</b>		
Intergovernmental	\$148,500	\$172,800
Interest	15,261	14,580
	<u>163,761</u>	<u>187,380</u>
<b>Total Cash Receipts</b>	<u>163,761</u>	<u>187,380</u>
<b>Cash Disbursements:</b>		
Current:		
Counsel & Legislative Consultant	75,614	72,706
Executive Secretary	40,841	39,270
Public Relations Consultant	24,504	23,562
Special Public Relations	4,457	1,632
Other Legal Contracts	11,074	0
Travel - Out of Pocket	3,725	4,927
Rent	14,400	14,400
Telephone	922	1,134
Xerox	1,639	1,563
Postage	1,261	672
Printing and Supplies	2,335	2,203
Fiscal	22	1,087
Memberships	1,500	1,500
Conference Costs	5,935	8,304
Office Supplies	339	738
	<u>188,568</u>	<u>173,698</u>
<b>Total Disbursements</b>	<u>188,568</u>	<u>173,698</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(24,807)</u>	<u>13,682</u>
<b>Fund Cash Balances, July 1</b>	<u>292,304</u>	<u>278,622</u>
<b>Fund Cash Balances, June 30</b>	<u><u>\$267,497</u></u>	<u><u>\$292,304</u></u>

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

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**ALLIANCE FOR ADEQUATE SCHOOL FUNDING  
CUYAHOGA COUNTY  
NOTES TO THE FINANCIAL STATEMENT**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Alliance For Adequate School Funding, Cuyahoga County, Ohio, (Alliance) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Alliance operates under the direction of a thirteen-member Executive Committee, appointed by their respective regions. The purposes of the Alliance are to take such action as is necessary and appropriate to protect the concept of the existing system of school funding, including;

Documenting the long-term effect of equity and equal funding in various states;

Objectively analyzing and comparing the effects of the current Ohio finance system on the basic instructional program among all districts;

Developing and supporting a reform package that focuses on student achievement and success;

Working to increase the awareness of the Alliance's position to the public, other educators, and General Assembly; and

Participating, on the basis set forth in the Bylaws, on a limited basis in litigation and other legal processes.

The Alliance's management believes these financial statements present all activities for which the Alliance 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.

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

**C. Cash and Investments**

The investment in commercial paper is valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Fund Accounting**

The Alliance uses fund accounting to segregate cash and investments that are restricted as to use. The Alliance classifies its funds into the following type:

**ALLIANCE FOR ADEQUATE SCHOOL FUNDING  
 CUYAHOGA COUNTY  
 NOTES TO THE FINANCIAL STATEMENT  
 (CONTINUED)**

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

**D. Fund Accounting(Continued)**

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Alliance maintains a cash and investments pool for its fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at June 30 follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 5,628	\$ 9,104
Total deposits	<u>5,628</u>	<u>9,104</u>
Commercial Paper	<u>261,869</u>	<u>283,200</u>
Total investments	<u>261,869</u>	<u>283,200</u>
Total deposits and investments	<u>\$ 267,497</u>	<u>\$ 292,304</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**Investments:** Commercial paper are unsecured promissory notes issued primarily by corporations for a specific amount and maturing on a specific day. The maximum maturity for commercial paper is 270 days, but most is sold with maturities of up to 30 days. Almost all commercial paper is rated to credit risk by rating services.



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

Executive Committee  
Alliance For Adequate School Funding  
Cuyahoga County  
5700 West Canal Road  
Valley View, Ohio 44125

We have audited the financial statements of the Alliance For Adequate School Funding, Cuyahoga County, Ohio, (Alliance) as of and for the years ended June 30, 2000 and June 30, 1999, and have issued our report thereon dated October 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 Alliance'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 audits, we considered the Alliance'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 Alliance in a separate letter dated October 11, 2000.

Executive Committee  
Alliance For Adequate School Funding  
Cuyahoga County  
Report 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 and Executive Committee, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

October 11, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**ALLIANCE FOR ADEQUATE SCHOOL FUNDING**

**CUYAHOGA 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  
NOVEMBER 14, 2000**