MONROEVILLE LOCAL SCHOOL DISTRICT
HURON COUNTY

PERFORMANCE AUDIT

MARCH 2015

Dave Yost • Auditor of State

Dave Yost • Auditor of State

To the residents, elected officials, management, and stakeholders of the Monroeville Local School District,

At the request of the Ohio Department of Education, the Auditor of State's Ohio Performance Team conducted a performance audit of the District to provide an independent assessment of operations. Functional areas selected for operational review were identified with input from District administrators and were selected due to strategic and financial importance to the District. Where warranted, and supported by detailed analysis, this performance audit report contains recommendations to enhance the District's overall efficiency and effectiveness. This report has been provided to the District and its contents have been discussed with the appropriate elected officials and District management.

The District has been encouraged to use the management information and recommendations contained in the performance audit report. However, the District is also encouraged to perform its own assessment of operations and develop alternative management strategies independent of the performance audit report. The Auditor of State has developed additional resources to help Ohio governments share ideas and practical approaches to improve accountability, efficiency, and effectiveness.

SkinnyOhio.org: This website, accessible at http://www.skinnyohio.org/, is a resource for smarter streamlined government. Included are links to previous performance audit reports, information on leading practice approaches, news on recent shared services examples, the Shared Services Idea Center, and other useful resources such as the Local Government Toolkit. The Shared Services Idea Center is a searchable database that allows users to quickly sort through shared services examples across the State. The Local Government Toolkit provides templates, checklists, sample agreements, and other resources that will help local governments more efficiently develop and implement their own strategies to achieve more accountable, efficient, and effective government.

This performance audit report can be accessed online through the Auditor of State's website at http://www.ohioauditor.gov and choosing the "Search" option.

Sincerely,

Dave Yost

Dave Yost
Auditor of State

March 17, 2015

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Executive Summary

Purpose and Scope of the Audit

The Ohio Department of Education (ODE) funded this performance audit of the Monroeville Local School District (MLSD or the District). In consultation with ODE, AOS selected the District for a performance audit with the goal of improving its financial condition through an objective assessment of the economy, efficiency, and effectiveness of operations and management. See **Table 1** in **Background** for a full explanation of MLSD's financial condition.

The following scope areas were selected for detailed review and analysis in consultation with the District, including financial systems, human resources, food service, and transportation. See **Appendix: Scope and Objectives** for detailed objectives developed to assess operations and management in each scope area.

Performance Audit Overview

The United States Government Accountability Office develops and promulgates Government Auditing Standards that provide a framework for performing high-quality audit work with competence, integrity, objectivity, and independence to provide accountability and to help improve government operations and services. These standards are commonly referred to as generally accepted government auditing standards (GAGAS).

The Auditor of State's (AOS) Ohio Performance Team (OPT) conducted this performance audit in accordance with GAGAS. These standards require that OPT plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. OPT believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

This performance audit provides objective analysis to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the various divisions internally and externally, and reviewed and assessed available information. Assessments were performed using criteria from a number of sources including; peer comparison, industry standards, leading practices, statutory authority, and applicable policies and procedures.

In consultation with the District, three sets of peer groups were selected for comparisons contained in this report. A primary set of peers was selected for general District-wide comparisons. In addition, peer groups were selected for a comparison of compensation, benefits and bargaining agreements (referred to as surrounding districts) and a separate set for a comparison of transportation service. The following table contains the Ohio school districts included in these peer groups.

Peer Group Definitions

Primary Peers
• Antwerp Local School District (Paulding County) • Arcadia Local School District (Hancock County) • Berne Union Local School District (Fairfield County) • Carey Exempted Village School District (Wyandot County) • Edgerton Local School District (Williams County) • Jackson Center Local School District (Shelby County) • Millcreek-West Unity Local School District (Williams County) • New London Local School District (Huron County) • South Central Local School District (Huron County) • Western Reserve Local School District (Huron County)
Compensation, Benefits and Union Contract Peers (Surrounding Districts)[1]
• Arcadia Local School District (Hancock County) • Berne Union Local School District (Fairfield County) • New London Local School District (Huron County) • South Central Local School District (Huron County) • Western Reserve Local School District (Huron County)
Transportation Peers
• Antwerp Local School District (Paulding County) • Edgerton Local School District (Williams County) • Jackson Center Local School District (Shelby County) • Millcreek-West Unity Local School District (Williams County)

[1]Due to instances where compensation data was not available for the surrounding districts in Huron County, analyses were supplemented with peer districts outside the geographic vicinity of MLSD.

Where reasonable and appropriate, peer and surrounding districts were used for comparison. However, in some operational areas, industry standards or leading practices were used for primary comparison including: the American Association of School Administrators (AASA), the Florida Legislature Office of Program Policy Analysis and Government Accountability (OPPAGA), the Ohio Administrative Code (OAC), the Ohio Department of Administrative Services (DAS), the Ohio Department of Education (ODE), the Ohio Revised Code (ORC), and the State Employment Relations Board (SERB).

The performance audit involved information sharing with MLSD, including drafts of findings and recommendations related to the identified audit areas. Periodic status meetings throughout the engagement informed the District of key issues impacting selected areas, and shared proposed recommendations to improve operations. District officials provided verbal and written comments in response to various recommendations, which were taken into consideration during the reporting process.

AOS and OPT express their appreciation to the elected officials, management, and employees of the Monroeville Local School District for their cooperation and assistance throughout this audit.

Issue for Further Study

Issues are sometimes identified by AOS that are not included in the scope of the audit but could yield economy and efficiency if examined in more detail. During the course of the audit, the following issue was identified that could potentially yield improvements to operations through further examination by the District:

- **Track parochial school lunch expenditures:** MLSD provides lunch service to St. Joseph's Catholic School, collecting revenue from these sales. However, because it does not track the associated expenditures for providing this service, the District cannot determine profitability. Tracking expenditures would enable the District to determine whether providing this service is a cost-effective venture.

Summary of Recommendations

The following table summarizes performance audit recommendations and financial implications, where applicable.

Summary of Recommendations

Recommendations	Savings
R.1 Reduce purchasing costs through cooperative purchasing	$127,700
R.2 Eliminate 2.5 FTE general education teaching positions	$103,000
R.3 Eliminate 3.5 FTE educational service personnel (ESP) positions	$206,900
R.4 Eliminate 1.5 FTE site-based administrator positions	$148,400
R.5 Eliminate 1.0 FTE office/clerical position	$34,900
R.6 Renegotiate reduced severance payment provision	$27,500
R.7 Increase employee contributions for board-paid health insurance plans	$14,700
R.8 Develop education management information system (EMIS) policies and procedures	N/A
R.9 Right-size the active bus fleet	$45,300
R.10 Complete T-1 Forms as prescribed by ODE	N/A
R.11 Increase lunch participation rates[1]	$27,500
Total Cost Savings from Performance Audit Recommendations	**$735,900**

[1]While savings identified in **R.11** would not directly impact General Fund operating expenditures; implementation of this recommendation would reduce transfers from the General Fund to cover operating losses in the Food Service Fund.

The following table shows the District's ending fund balances as projected in its October 2014 financial forecast. Included are annual savings identified in this performance audit and the estimated impact that implementation of the recommendations will have on the ending fund balances.

Financial Forecast with Performance Audit Recommendations

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Original Ending Fund Balance	**$10,893**	**($599,848)**	**($1,396,904)**	**($2,333,929)**
Cumulative Balance of Performance Audit Recommendations		**$735,900**	**$1,471,800**	**$2,207,700**
Revised Ending Fund Balance	**$10,893**	**$136,052**	**$74,896**	**($126,229)**

Source: Monroeville Five Year Forecast for Fiscal Year 2015 (October 2014) and performance audit recommendations

While the performance audit recommendations are based on FY 2013-14 operations, implementation of all recommendations may not be possible until FY 2016-17, as some require contract negotiations and others would not be implementable until the start of a new fiscal year. As shown in the table, implementing the performance audit recommendations contained in this report would allow the District to maintain positive fund balances through FY 2017-18. The savings identified, however, are the result of substantial reductions that could hamper the District's ability to operate effectively, such as general education teacher and ESP staff reductions that approach State minimum levels, the reduction of building administrators to State minimum levels, and a reduction in the size of the active bus fleet. Unless the District is able to generate savings beyond those identified in this report, it may not be able to avoid the projected ending fund balance deficits in FY 2016-17 through FY 2018-19.

Background

Financial Status

School districts in Ohio are required to prepare and submit two five year financial forecasts to ODE each year.[1] Information contained in these forecasts provide an important measure of the financial health of a district and serve as the basis for identifying conditions that lead to fiscal distress designations by AOS and ODE. **Table 1** summarizes the District's May 2014 five year forecast and includes year-end General Fund balances.

Table 1: Financial Condition Overview

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Total Revenue	$6,389,416	$6,294,416	$6,168,416	$6,168,416	$6,168,416
Total Expenditure	$6,432,000	$6,555,500	$6,779,157	$6,965,472	$7,180,441
Results of Operations	$57,858	($261,084)	($610,741)	($797,056)	($937,025)
Beginning Cash Balance	$242,119	$299,977	$38,893	($571,848)	($1,368,904)
Ending Cash Balance	$299,977	$38,893	($571,848)	($1,368,904)	($2,305,929)
Estimated Encumbrances	$28,000	$28,000	$28,000	$28,000	$28,000
Ending Fund Balance	**$271,977**	**$10,893**	**($599,848)**	**($1,396,904)**	**($2,333,929)**

Source: Monroeville Five Year Forecast for Fiscal Year 2015 (May 2014)

As shown in **Table 1**, the District projected systematic spending in excess of revenue which resulted in the projection of a slim FY 2014-15 cash balance and substantial ending General Fund balance deficits beginning in FY 2015-16, prompting AOS to initiate the performance audit. During the course of the audit, MLSD issued its October 2014 five year forecast which shows a similar projected financial condition. **Table 2** summarizes the October 2014 financial forecast.

[1] These forecasts are required to be submitted to ODE in May and October of each year.

Table 2: Financial Condition Overview

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Total Revenue	$6,489,858	$6,294,416	$6,168,416	$6,168,416	$6,243,416
Total Expenditure	$6,432,000	$6,555,500	$6,779,157	$6,965,472	$7,180,441
Results of Operations	$57,858	($261,084)	($610,741)	($797,056)	($937,025)
Beginning Cash Balance	$242,119	$299,977	$38,893	($571,848)	($1,368,904)
Ending Cash Balance	$299,977	$38,893	($571,848)	($1,368,904)	($2,305,929)
Estimated Encumbrances	$28,000	$28,000	$28,000	$28,000	$28,000
Ending Fund Balance	**$271,977**	**$10,893**	**($599,848)**	**($1,396,904)**	**($2,333,929)**

Source: Monroeville Five Year Forecast for Fiscal Year 2015 (October 2014)

As shown in **Table 2**, the District's subsequent forecast pushes the expected deficit of approximately $600,000 one year further out (FY 2016-17). The deficit condition is still projected to continue, however, for the latter four years of the forecast, resulting in a cumulative deficit of over $2.3 million by FY 2018-19. In an attempt to improve its fiscal condition, the District sought passage of a combined 2.5 mill real estate and half-percent income tax levy on November 4, 2014, but the ballot measure failed voter approval.[2]

Eliminating future fund balance deficits can be accomplished by decreasing expenditures, increasing revenue, or a combination of both. Management control over operating decisions can directly affect expenditures. Consequently, MLSD's operations and related expenses were examined by OPT in an effort to identify areas of potential cost savings for the District. If MLSD's revenue increases, it may be able to address projected deficits without making significant reductions to operations. However, revenue is not directly controlled by school districts, but instead by federal and State laws, regulations, and support from local residents.

[2] The half-percent portion of the combined levy is in addition to the permanent 1.5 percent income tax levy that was approved by voters and will take effect in January 2010.

Recommendations

R.1 Reduce purchasing costs through cooperative purchasing

With the exception of the food service operation, the District does not participate in cooperative purchasing programs such as those offered through the Ohio Department of Administrative Services (DAS) for the procurement of supplies and materials. Additionally, MLSD could not provide documentation demonstrating that it price shopped with vendors for the lowest price. Instead, the District's common practice was to use local vendors for supplies and materials purchases.

Ohio Revised Code (ORC) § 125.04 (C) states that a school district may purchase supplies and materials from another party, including another political subdivision, instead of through a contract that DAS has entered into, on behalf of the school district, if the school district can prove that it can purchase the same supplies and materials from another party upon equivalent conditions and specifications but at a lower price. If so, the school district does not have to competitively bid those supplies or services.

In addition to ensuring compliance with legislative mandates, engaging in cooperative purchasing would reduce the District's annual purchasing expenditures. **Table 3** shows MLSD's General Fund purchasing expenditures in comparison to the peer average.

Table 3: FY 2013-14 General Fund Purchasing Comparison

MLSD Students Educated				602.5
Supplies and Materials Expenditures				$323,913
	MLSD	**Peer Average**	**Difference**	**Total**
Supplies and Materials Expenditures per Student	$538	$326	$212	$127,730
			Annual Savings	**$127,730**

Source: MLSD and peer districts

As shown in **Table 3**, MLSD's per student expenditures for purchased services and supplies and materials were substantially higher in comparison to the peer average. Further examination showed that seven of the ten peers comprising the average indicated that cooperative purchasing for purchased services and supplies and materials was used.

The District should pursue cooperative purchasing opportunities for supplies and services in order to reduce its purchasing expenditures to a level consistent with the peers. When applicable, the District should utilize DAS contracts to ensure optimal pricing of goods and services. In instances where lower pricing is obtained in comparison to DAS offerings, the District should maintain records that substantiate the price differences.

<u>Financial Implication:</u> Using cooperative purchasing efforts could result in the savings of approximately **$127,700** annually by reducing per-student expenditures to the peer average.

R.2 Eliminate 2.5 FTE general education teaching positions

General education teachers instruct students in a regular classroom environment. Ohio Administrative Code (OAC) § 3301-35-05 requires the ratio of general education teachers to students to be a least 1.0 FTE classroom teacher for every 25 regular students district-wide. This category excludes teaching staff in other areas such as gifted, special education, and education service personnel (ESP) teachers. Although MLSD's staffing ratio was 1.5 FTEs below the peer average, its financial condition warranted further comparison to State minimums. **Table 4** presents three options for staffing reductions in which the District would continue to operate within State requirements for general education teacher staffing levels, based on FY 2014-15 data.

Table 4: General Education Teacher Comparison

General Education FTEs					29.7
Regular Student Population					561.5
Staffing Ratio (Students)					18.9:1
Options	**Staffing Ratio by Option (Students:Teachers)**	**Proposed Staffing for each Option**	**Difference Above / (Below)**	**Proposed Reduction for this Option**	**Annual Savings**
Option 1: 20% Above State	20:1	27.0	2.7	2.5	$103,068
Option 2: 10% Above State	22.5:1	24.7	5.0	5.0	$246,130
Option 3: State Minimum	25:1	22.5	7.2	7.0	$379,487

Source: MLSD and OAC

As illustrated in **Table 4**, the District's student to teacher ratio is lower than State minimum requirements. Based on its projected financial condition, MLSD may need to incur staffing reductions that approach minimum required teacher staffing levels shown above. The selection of one of the options presented is ultimately District management's responsibility based upon the needs and desires of the stakeholders in its community. Those decisions must be balanced, however, with their fiduciary responsibility to adapt to financial realities in the District and maintain a solvent operation. While it is not common practice in Ohio to operate at or near State minimums, MLSD may need to make significant staffing reductions to address the deficits in its five year forecast. Implementing Option 1, in conjunction with the rest of the recommendations in this report, should produce sufficient savings to eliminate an ending fund balance deficit in the five year forecast as demonstrated on page 4 of this report.

<ins>Financial Implication:</ins> Eliminating 2.5 FTE general education positions would save approximately **$103,000** in salaries and benefits, annually. These savings were calculated using the lowest full-time teacher salaries in FY 2014-15 and include an average benefit ratio of 33 percent. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

R.3 Eliminate 3.5 FTE educational service personnel (ESP) positions

ESP positions include K-8 art, music, and physical education teachers; counselors; librarians; social workers; and visiting teachers. For FY 2014-15, MLSD is staffed with 6.5 ESP FTEs, which include 1.5 FTE art teachers, 1.0 FTE music teacher, 1.0 FTE physical education teacher, 2.0 FTE counselors, and 1.0 FTE librarian. OAC § 3301-35-05 requires that school districts employ a minimum of 5.0 FTE ESP for every 1,000 students in the regular student population. Although MLSD's staffing ratio was 0.2 FTEs below the peer average, its financial condition warranted further comparison to State minimums. **Table 5** presents this comparison, showing two options for staffing reductions in which the District could reduce staff but continue to operate within State requirements for ESP.

Table 5: Educational Service Personnel (ESP) Comparison

Educational Service Personnel FTEs	6.5				
Regular Student Population	561.5				
Staffing Ratio (ESP per 1,000)	11.6				
Options	**Staffing Ratio by Option (ESP per 1,000 Students)**	**Proposed Staffing for each Option**	**Difference Above / (Below)**	**Proposed Reduction for this Option**	**Annual Savings**
Option 1: 20% Above State	6.0	3.4	3.1	3.0	$178,579
Option 2: 10% Above State	5.5	3.1	3.4	3.0	$178,579
Option 3: State Minimum	5.0	2.8	3.7	3.5	$206,984

Source: MLSD and OAC

As illustrated in **Table 5**, the District's ESP staffing ratio is higher than State minimum requirements. Based on the District's projected financial condition, it may need to approach minimum required ESP staffing levels shown above. The selection of one of the options presented is ultimately District management's responsibility based upon the needs and desires of the stakeholders in its community. Staffing decisions must be balanced, however, with their fiduciary responsibility to adapt to the financial realities of the District and maintain a solvent operation. While it is not common practice in Ohio to operate at or near State minimums, MLSD may need to make significant staffing reductions to address the deficits in its five year forecast. Implementing Option 3, in conjunction with the rest of the recommendations in this report, should produce sufficient savings to eliminate an ending fund balance deficit in the five year forecast as demonstrated on page 4 of this report.

<ins>Financial Implication:</ins> Eliminating 3.5 FTE ESP positions would save approximately **$206,900** in salaries and benefits, annually. These savings were calculated using the lowest full-time educational service personnel salaries in FY 2014-15 and include an average benefit ratio of 33 percent. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

R.4 Eliminate 1.5 FTE site-based administrator positions

Site-based administrator positions include principals and assistant principals. According to OAC § 3301-35-05, any school building with 15 or more teachers must have a full-time principal. **Table 6** presents two options for staffing reductions in which the District would continue to operate within State requirements for site-based administrators.

Table 6: Site-Based Administrator Comparison

Site-Based Administrator FTEs					2.5
Number of School Buildings					1.0
Site-Based Administrators per Bldg.					2.5
Options	**Staff per Building**	**Proposed Staffing for each Option**	**Difference Above / (Below)**	**Proposed Reduction for this Option**	**Annual Savings**
Peer Average	1.1	1.1	1.4	1.0	$98,952
State Minimum Requirement	1.0	1.0	1.5	1.5	$148,428

Source: MLSD, peer districts, and OAC

As shown in **Table 6**, the District employs more site-based administrators per building than the peer average and the OAC requirement by a similar margin. Determining efficient staffing levels is ultimately District management's responsibility based upon the needs and desires of the stakeholders in their community. Staffing decisions must be balanced, however, with their fiduciary responsibility to adapt to the financial realities of the District and maintain a solvent operation. While it is not common practice in Ohio to operate at or near State minimums, MLSD may need to make significant staffing reductions to address the deficits in its five year forecast. Reducing Site-Based Administrators to State minimums, in conjunction with the rest of the recommendations in this report, should produce sufficient savings to eliminate an ending fund balance deficit in the five year forecast as demonstrated on page 4 of this report.

Financial Implication: Eliminating 1.5 FTE principal positions would save approximately **$148,400** in salaries and benefits, annually. These savings were calculated using the lowest full-time principal position salary in FY 2014-15 and include an average benefit ratio of 33 percent. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salary staff.

R.5 Eliminate 1.0 FTE office/clerical position

Table 7 compares the District's office/clerical staff to the peer average on a per 100 student basis.

Table 7: Office/Clerical Comparison

Office/Clerical FTEs	5.0				
Students	602				
Staffing Ratio (per 100)	0.8				
	Staffing Ratio (Office/Clerical per 100 Students)	**Proposed Staffing**	**Difference Above / (Below)**	**Proposed Reduction**	**Annual Savings**
Peer Average	0.6	3.6	1.4	1.0	$34,940

Source: MLSD and peer districts

As illustrated in **Table 7**, MLSD is staffed higher in comparison to the peer average for office/clerical personnel. To achieve a staffing ratio consistent with the peers, the District would require a reduction of approximately 1.0 office/clerical FTE.

<u>Financial Implication:</u> Eliminating 1.0 FTE office/clerical position would save approximately **$34,900** in salaries and benefits, annually. These savings were calculated using the lowest full-time office/clerical position salary in FY 2014-15 and include an average benefit ratio of 33 percent. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

R.6 Negotiate reduced severance payment provision

According to the District's collective bargaining agreement for certificated employees, a bargaining unit member with five or more years of current, consecutive service with the District and ten or more years of public service, is entitled to payment of one-fourth of his/her accrued but unused sick leave at the time of retirement. The maximum payment under this contract is for 66.25 unused sick leave days. The District's classified employee policy states that the total severance payment benefit cannot exceed the value of 55 days of accrued but unused sick leave. Severance payments made from FY 2011-12 through FY 2013-14 totaled $173,042.

According to Ohio Revised Code (ORC) § 124.39(B), an employee of a political subdivision covered by the ORC, and with ten or more years of service with the State, is to be paid one-fourth the value for any accrued but unused sick leave credit, up to 30 days. Negotiating a reduction in severance payments to one-fourth of an employee's accrued but unused sick leave to a maximum of 30 days will assist in lowering the District's potential liability associated with future severance payments.

<u>Financial Implication:</u> The District could save approximately **$27,500** annually by reducing its severance payments to the ORC minimum based on the average total annual severance payments made for FY 2011-12 through FY 2013-14.

R.7 Increase employee contributions for Board paid health insurance plans

Prior to making any changes to health insurance, the District should review the Patient Protection and Affordable Care Act to ensure that intended results will be achievable under the new legislation.

MLSD offers its employees a single or family preferred provider organization (PPO) health insurance plan though Medical Mutual. The Ohio State Employment Relations Board (SERB) surveys public sector entities regarding health insurance costs and publishes this information on an annual basis. The purpose of this survey is to provide data on various aspects of health insurance, plan design, and cost for government entities in Ohio. **Table 8** compares the 2014 MLSD employee health insurance premium contribution rate to data contained in the *22nd Annual Report on the Cost of Health Insurance in Ohio's Public Sector* (SERB, 2014).

Table 8: Employee Health Insurance Contribution Comparison

	MLSD	SERB	Difference	% Difference
Single Plan	15.0%	12.4%	2.6%	21.0%
Family Plan	15.0%	14.0%	1.0%	7.1%

Source: MLSD and SERB

As shown in **Table 8**, MLSD's employee contribution rates were higher than SERB averages for both single and family plans. However, documentation of Board-paid health insurance plans provided by the District showed that six employees enrolled in family plans do not provide any contribution. **Table 9** provides the financial impact of not requiring these employees to contribute towards health and dental insurance premiums, assuming a 15 percent contribution rate.

Table 9: Board-Paid Health Insurance Contribution Comparison

Number of Plans	Type of Plan	Employee Portion	Board Portion	Total Premium Per Employee	Total Monthly Board Cost
6	Health	$0	$1,297	$1,297	$7,782
6	Dental	$0	$68	$68	$408
				Total Monthly Board Cost	$8,190
Adjusted to 15% Employee Contribution					
6	Health	$195	$1,102	$1,297	$6,612
6	Dental	$10	$58	$68	$348
Total Monthly Board Cost					$6,960
Total Monthly Board Savings					$1,230
				Annual Savings	**$14,760**

Source: MLSD

Financial Implication: Requiring a 15 percent employee premium contribution for all employee health and dental insurance plans would save the District approximately **$14,700** annually.

R.8 Develop education management information system (EMIS) policies and procedures

In order to ensure the accuracy of evidence used throughout the course of the audit, OPT tested the District's student enrollment and staffing education management information system (EMIS) data. While it was found to be sufficiently reliable and appropriate for use in this audit, some deficiencies related to the District's EMIS process were identified. For example, the District does not have formal policies and procedures for preparing, reviewing and reconciling EMIS data, does not review the data for errors before submission, and does not consistently correct errors found in validation reports before submission.

OAC § 3301-35-07 requires that local school districts "shall work with the department of education to submit timely and accurate data under EMIS, and the school district shall minimize the time it takes to verify the accuracy of its data". The Ohio State Board of Education's Operating Standards Committee provides guidance on this matter, which suggests that aligning local policies and procedures with ODE's EMIS guidance would aid districts in the submission of "timely and accurate data under EMIS" and "minimize the time it takes to verify the accuracy of its data".

Since the District does not have formal policies and procedures for preparing, reviewing and reconciling EMIS information, it is at risk for inefficiently and inaccurately preparing, reviewing and reconciling EMIS data. Therefore, the District should develop and implement formal policies and procedures for the timely and accurate reporting of data under EMIS guidance.

R.9 Right-size the active bus fleet

Table 10 shows the District's FY 2013-14 transportation costs in comparison to the peer average.

Table 10: Transportation Cost Ratio Comparison

	MLSD	Peer Average	Difference	% Difference
Per Yellow Bus Rider	$1,070	$922	$148	16.1%
Per Active Bus	$39,056	$53,300	($14,244)	(26.7%)
Per Routine Mile	$3.66	$3.53	$0.13	3.7%

Source: MLSD and peer district transportation data as reported to ODE

As shown in **Table 10**, the District expended more for transportation services in FY 2013-14 in comparison to the peers. The District's high transportation costs are attributable to an inefficient fleet size and the lack of competitive price shopping for transportation related purchased services and supplies expenditures (see **R.1**).[3] While the per active bus cost ratio was lower than the peers, it was the result of costs being dispersed across its comparatively larger fleet.

In FY 2013-14 the District operated on a single tiered routing system. During morning routes the District utilized six active buses to transport students; however, the afternoon run required the

[3] Purchased services related to the transportation operation consist of expenditures for contracted maintenance, repairs, and bus insurance. Supplies and materials consist of expenditures for items such as tires, tubes, motor oil, etc.

District to utilize all eight of its active buses. This is due to bell times at the JVS and parochial schools being closely aligned with the bell times at MLSD, which therefore did not afford the District sufficient time to travel to the JVS school or the parochial school to pick-up students.

Five of the District's active buses have a rated capacity of 84 students, two have a rated capacity of 78 students, and one has a rated capacity of 72 students for a total fleet capacity of 648 students.[4] Compared to this capacity, the District transported a total of only 291 students in grades K-12 and subsequently maintained an average utilization rate of 44.9 percent (36.4 riders) per route.

According to *The School Administrator* (American Association of School Administrators (AASA), December 2005), effective bus capacity is measured with 80 percent of a bus' rated capacity as a goal. The District should consolidate its bus routes and eliminate three active buses from its fleet in order to raise the rider utilization rate from 44.9 percent to 80 percent as prescribed by the AASA. Doing so would reduce costs related to the maintenance and operation of active buses. Furthermore, consolidating its fleet and bus routes would reduce the number of buses needing replaced via direct purchase or lease.

<u>Financial Implication:</u> Reducing three active buses would save the District approximately $15,100 per active bus, or a total of **$45,300** annually.[5]

R.10 Complete T-1 Forms as prescribed by ODE

ODE provides annual pupil transportation payments to school districts that are calculated based on ridership data. Districts self-report this data (bus ridership and mileage) to ODE using the T-1 Form. Corresponding payments by ODE are dependent upon a district's reporting accuracy.

Districts are required to record and report daily ridership and mileage to ODE based on data obtained during the first full week in October of each year. As a part of its reporting process, MLSD provides its bus drivers with sheets to record the ridership and mileage, which are turned in to the Transportation Supervisor. The Transportation Supervisor reviews these sheets and reports the information to ODE.

[4] The total rated capacity is based on elementary riders as the District indicated that most ridership consists of elementary students.
[5] Total savings amount includes driver salaries ($8,200), benefits ($5,900), and bus insurance premiums ($1,000) per active bus.

Table 11 provides a summary of ODE requirements for ridership and mileage reporting (T-1 Form) in comparison to the District's reporting practices.

Table 11: T-1 Reporting Practices Comparison

ODE Requirement	MLSD Practice	Result
	Ridership	
Ridership data should be reported as the average number of students on the bus each day during the first full week in October. Students should only be counted once on their first conveyance to school and those that are not present on the bus may not be counted, even if they are a regular rider.	In some instances, non-public students were counted twice on the T-1 Form. Furthermore, the District entered an incorrect total number of public riders as opposed to the average number of public riders reported on the driver count sheet.	A comparison between bus driver records and the T-1 Report data for ridership yielded a 3.3 percent variance. This may directly impact the District's transportation funding due to inaccurate T-1 data reporting.
	Mileage	
Mileage should be reported for the "total number of daily miles for morning and afternoon public, nonpublic, and community school students, driven from the time the bus leaves storage, completes regular routes, and returns to storage." Mileage to be reported also "includes noon kindergarten miles, all daily vocational miles, shuttle miles and other trips necessary for the daily attendance of children in their educational program."	Mileage for buses that strictly run afternoon routes was not submitted to ODE in FY 2013-14.	A comparison between bus driver records and the T-1 Report data for mileage yielded an 8.1 percent variance. This may directly impact its transportation funding due to inaccurate T-1 Report data.

Source: MLSD and ODE

Since the District did not submit T-1 Form data as prescribed by ODE, its transportation funding may be directly impacted. The District should take corrective actions to rectify the deficiencies identified in **Table 11** to ensure it accurately reports the information recorded on driver count sheets to ODE. In addition, the District should record the actual daily miles for transporting its students.

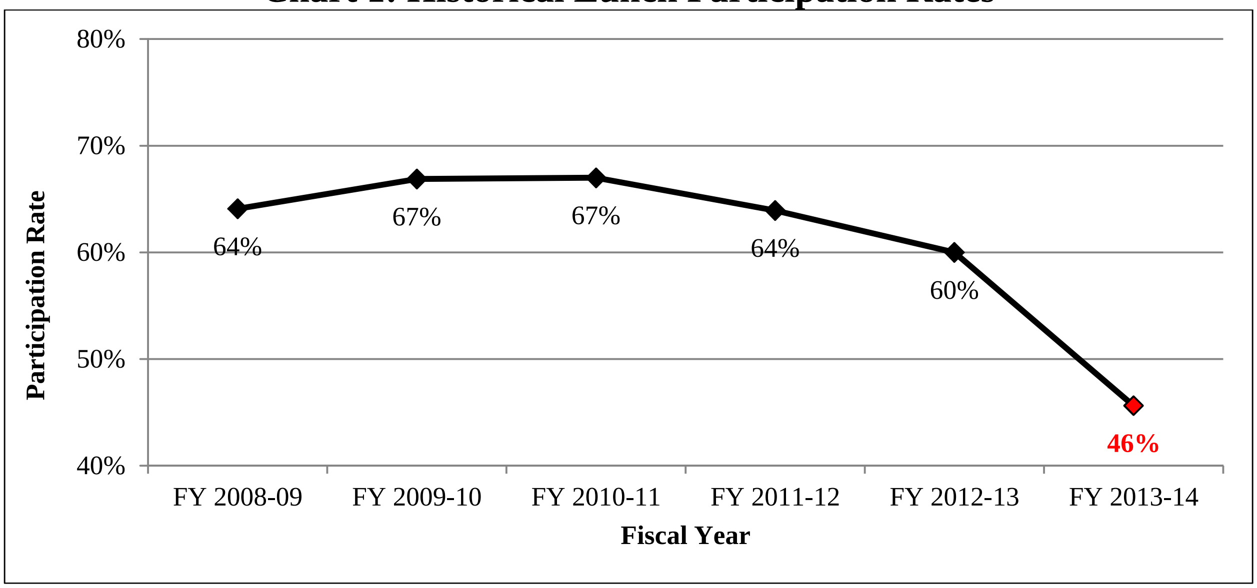
R.11 Increase lunch participation rates

The District's food service operation is set up as an enterprise fund, which is required to be used to account for services whose costs are partially funded by fees and/or charges. The performance of an enterprise fund is measured in terms of positive and negative operations. MLSD provides lunch service to its students as well as the St. Joseph parochial school. Depending on income eligibility, some students qualify to receive free or reduced price lunches for which the District receives reimbursement. The remaining revenue is generated from meal and a la carte food item purchases. Student participation is vital to success, in that higher participation in the lunch program results in higher revenues.

The Food Service Fund was not self-sustaining from FY 2010-11 through FY 2012-13.[6] Based on supplemental financial data provided by the District, the Food Service Fund lost approximately $70,000 in FY 2013-14 as a result of expenditures exceeding revenue and the subsequent depletion of cash reserves. Consequently, the Food Service Fund was subsidized in FY 2012-13 and FY 2013-14 by the General Fund in order to maintain positive ending fund balances.

Major aspects of the food service operation were assessed in order to determine the cause of the operation's financial results. These assessments revealed that staffing levels and meal prices were in alignment with benchmarks and peers. However, a declining trend in lunch participation rates was identified, which contributed to the fund's revenue shortage. **Chart 1** illustrates this declining trend, showing participation rates from FY 2008-09 through FY 2013-2014.

Chart 1: Historical Lunch Participation Rates



Source: MLSD

As shown in **Chart 1**, for the five year period prior to FY 2013-14, student participation in the lunch program averaged approximately 64 percent. However, a declining trend can be witnessed in the latter three years of chart data culminating in a participation rate of 46 percent in FY 2013-14.[7] In addition to lagging historical performance, FY 2013-14 participation was also significantly lower in comparison to the peer average of approximately 66 percent for this year. The District indicated that the drastic drop in participation rates in FY 2013-14 may have been due to recent federal changes in meal standards which resulted in mandatory menu changes limiting the types of food the District could serve.

[6] The Food Service Fund had negative ending balances of $38,714, $29,677, and $37,899 in FY 2010-11, FY 2011-12, and FY 2012-13, respectively.

[7] A 14 day sample of participation rates for FY 2014-15 (after a point of sale system was implemented) shows a participation rate of 51.2 percent, indicating that, despite increasing, participation rates continued to remain lower than the historical average presented in **Chart 1**.

According to *Best Practices Could Help School Districts Reduce Their Food Service Program Costs* (Florida Legislature, Office of Program Policy Analysis and Government Accountability (OPPAGA), January 2009), Districts can increase participation in their food service programs by utilizing promotional campaigns. Promotional campaigns could include strategies such as distributing newsletters, menus, and nutritional information. OPPAGA further suggests that revenue increases can be attained by identifying and addressing potential barriers to participation, such as poor food quality, inadequate lunch periods, insufficient seating, and untimely bus scheduling. This can be achieved through student surveys regarding satisfaction with food quality, service, and school cafeterias. The information can then be used by Food Service managers and principals to develop solutions to the identified barriers.

Optimal efficiency of the District's food service program can be achieved through a combination of revenue maximization and reduced expenses. Because the primary driver of revenue generation is student participation in the program, properly marketing through active promotional campaigns as well as effectively obtaining student feedback will help the District increase participation, resulting in higher revenues. For every percentage point of increased participation, the District could generate approximately $1,375 in annual revenue.

Financial Implication: The District could save approximately **$27,500** annually, (through a General Fund transfer reduction) by raising its participation rate approximately 20 percent to the peer average, based on FY 2013-14 data.

Appendix A: Scope and Objectives

Generally accepted government auditing standards require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

In consultation with ODE and the District, OPT identified the following scope areas for detailed review: financial systems, human resources, facilities, transportation, and food service. Based on the agreed upon scope, OPT developed objectives designed to identify improvements to economy, efficiency, and/or effectiveness. **Table A-1** illustrates the objectives assessed in this performance audit and references the corresponding recommendation when applicable. Seven of the seventeen objectives did not yield a recommendation (see **Appendix B** for additional information including comparisons and analyses that did not result in recommendations).

Table A-1: Audit Objectives and Recommendations

Objective	Recommendation
Financial Systems	
What is the District's financial history and current financial status?	**N/A**
What is the District's financial forecasting process?	**N/A**
What impact will the performance audit recommendations have on forecasted revenues and/or expenditures?	**N/A**
Does the District secure optimal pricing for supplies, materials and services?	**R.1**
Human Resources	
Is EMIS data sufficiently reliable for use?	**R.8**
Are salaries comparable to the peers?	**Table B-2, B-3**
Are CBA provisions comparable to the peers and State statutory minimums?	**R.6**
Are health benefits comparable to industry standards?	**R.7**
Are staffing levels comparable to the peers and State minimum requirements?	**R.2, R.3, R.4, R.5, Table B-1**
Transportation	
Are T-Reports sufficiently reliable for use?	**R.10**
Is the fleet condition maintained efficiently?	**R.9**
Is the fleet size efficient?	**R.9**
Are bus replacement practices consistent with leading practices?	**N/A**
Food Service	
Is the Food Service Fund self-sufficient?	**R.11**
Are staffing levels comparable to industry benchmarks?	**N/A**
Are meal prices competitive and comparable to peers?	**N/A**
Is the participation rate in line with peer averages and industry benchmarks?	**R.11**

Appendix B: Additional Comparisons

Staffing

Table B-1 illustrates FTE staffing levels per 100 students at MLSD in comparison to the peer average. Staffing data was from FY 2013-14 as reported to ODE through the Education Management Information System (EMIS). Staffing levels are presented on a per 100 student basis as they are partially dependent on the number of students served. In addition, presenting staffing data in this manner decreases variances attributable to the size of the peers. Adjustments were made to the District's EMIS data to reflect accurate staffing at the time of the assessment.

Table B-1: MLSD Staffing Comparison

	MLSD		Peer Avg.	Difference	
Students [1]		602	865		(263)
Students (in hundreds)		6.02	8.65		(2.63)
	MLSD				
	FTEs	**FTEs Per 100 Students**	**Peer FTEs Per 100 Students**	**Difference Per 100 Students**	**Total FTEs Above (Below) [2]**
Administrative	5.1	0.85	0.87	(0.02)	(0.12)
Office/Clerical	5.0	0.83	0.60	0.23	1.38
General Education Teachers	29.7	4.93	5.55	(0.62)	(3.73)
All Other Teachers	7.7	1.28	1.50	(0.22)	(1.32)
Education Service Personnel (ESP)	6.5	1.08	0.95	0.13	0.78
Educational Support	1.0	0.17	0.25	(0.08)	(0.48)
Other Certificated	0.0	0.00	0.16	(0.16)	(0.96)
Non-Certificated Classroom Support	5.0	0.83	0.82	0.01	0.06
Other Professional and Technical Staff	1.0	0.17	0.25	(0.08)	(0.48)

Source: ODE

Note: The District's operational staffing, including bus drivers, custodians, maintenance workers, and food service employees are not included in the peer comparison. Where applicable, these areas were assessed based on industry and operational standards.

[1] Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

[2] Represents the number of FTEs that, when added or subtracted, would bring the District's number of employees per 100 students in line with the peer average. Calculated by multiplying "Difference Per 100 Students" by MLSD "Students (in hundreds)".

As shown in **Table B-1**, staffing levels were very close to, or below, the peer average in each position category, with the exception of education service personnel and office/clerical. Assessments of these position categories are discussed in greater detail in **R.3** and **R.5**, respectively. Despite general education and administrative staffing levels being lower than the peer average, comparisons were made to Ohio Administrative Code (OAC) minimum requirements in **R.3** and **R.4**, respectively, due to the District's projected financial condition.

Salaries

Wages for certificated and classified employees were compared to surrounding district averages using the most recently available salary and wage schedules contained in the respective collective bargaining agreements. **Table B-2** shows the career compensation that the District should expect to pay a certificated employee and a classified employee over the duration of a 30 year career in comparison to the surrounding district average.

Table B-2: Career Compensation Comparison

	MLSD	Surrounding District Average	Difference	% Difference
Certificated[1]				
Bachelor's Degree	$1,409,455	$1,433,494	($24,039)	(1.7%)
Master's Degree	$1,598,279	$1,659,239	($60,960)	(3.7%)
Classified				
Cafeteria Cook[2]	$867,027	$902,699	($35,672)	(4.0%)
Clerical[3]	$984,713	$1,016,257	($31,544)	(3.1%)
Custodian	$996,819	$954,878	$41,941	4.4%
Bus Driver[4]	$1,054,685	$1,020,521	$34,164	3.3%

Source: MLSD and surrounding districts of Arcadia LSD, Berne Union LSD, New London LSD, South Central LSD, and Western Reserve LSD
[1]New London LSD not included in the analysis due to lack of available data.
[2]Berne Union LSD not included in the analysis due to lack of available data.
[3]South Central LSD not included in the analysis due to lack of available data.
[4]Arcadia LSD not included in the analysis due to lack of available data.

As shown in **Table B-2**, career compensation for MLSD certificated staff was below the respective peer averages for both classifications of teaching positions. Classified salary schedules were also analyzed, and all were found to be relatively comparable to the peer average.

Table B-3 provides a comparison of MLSD's administrative compensation to the surrounding district peers. Total compensation includes base salaries and monetized pension pick-up benefits.

Table B-3: Administrative Compensation Comparison

	MLSD	Surrounding District Average	Difference	% Difference
Assistant Principal				
Salary	$50,000	$61,000	($11,000)	(18.0%)
Board Pension Pick- Up	0%	6.3%	(6.3%)	(100.0%)
Total Compensation	**$50,000**	**$64,843**	**($14,843)**	**(22.9%)**
Principal				
Salary	$76,640	$73,796	$2,844	3.9%
Board Pension Pick-Up	12%	8.5%	3.5%	41.2%
Total Compensation	**$85,837**	**$80,069**	**$5,768**	**7.2%**
Superintendent				
Salary	$85,000	$101,155	($16,155)	(16.0%)
Board Pension Pick-Up	12%	10.8%	1.2%	11.1%
Total Compensation	**$95,200**	**$112,079**	**($16,879)**	**(15.1%)**
Treasurer				
Salary	$64,000	$64,737	($737)	(1.1%)
Board Pension Pick-Up	10%	8.5%	1.5%	17.6%
Total Compensation	**$70,400**	**$70,239**	**$161**	**0.2%**
Total Administrative Compensation	**$301,437**	**$327,230**	**($25,793)**	**(7.9%)**

Source: MLSD and Arcadia LSD, Berne Union LSD, New London LSD, South Central LSD, and Western Reserve LSD.

As illustrated in **Table B-3**, MLSD's overall administrative compensation is lower than the peer average. While the District's individual compensation plans for principal and treasurer positions are slightly higher than the peer average, they are offset by the comparatively lower compensation plans for assistant principal and superintendent positions.

Appendix C: Five Year Forecast

Table C-1: MLSD May 2014Five Year Forecast

	Actual			Forecasted				
Line	2011	2012	2013	2014	2015	2016	2017	2018
1.010 General Property (Real Estate)	2,037,757	2,071,152	2,034,416	1,934,416	1,784,416	1,773,416	1,773,416	1,773,416
1.030 Income Tax	1,157,672	1,137,378	1,234,907	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000
1.035 Unrestricted Grants-in-Aid	2,103,013	2,033,558	2,183,221	2,175,000	2,175,000	2,150,000	2,150,000	2,150,000
1.040 Restricted Grants-in-Aid	48,569	61,787	37,850	60,000	60,000	50,000	50,000	50,000
1.045 Restricted Federal Grants-in-Aid - SFSF	120,671							
1.050 Property Tax Allocation	446,590	336,221	336,701	375,000	430,000	400,000	400,000	475,000
1.060 All Other Operating Revenue	426,443	615,519	679,113	600,000	600,000	550,000	550,000	550,000
1.070 Total Revenue	6,340,715	6,255,615	6,506,208	6,389,416	6,294,416	6,168,416	6,168,416	6,243,416
2.050 Advances-In	5,449	104,438	56,268	100,442				
2.060 All Other Financial Sources	7,753		12,610					
2.070 Total Other Financing Sources	13,202	104,438	68,878	100,442				
2.080 Total Revenues and Other Financing Sources	6,353,917	6,360,053	6,575,086	6,489,858	6,294,416	6,168,416	6,168,416	6,243,416
3.010 Personnel Services	3,534,712	3,628,159	3,521,428	3,675,000	3,775,000	3,925,000	4,075,000	4,175,000
3.020 Employees' Retirement/Insurance Benefits	1,102,224	1,163,468	1,163,871	1,185,000	1,225,000	1,300,716	1,340,000	1,382,000
3.030 Purchased Services	1,001,547	1,176,960	1,293,948	1,000,000	1,000,000	1,000,000	1,000,000	1,050,000
3.040 Supplies and Materials	289,572	422,003	323,915	300,000	288,000	285,000	282,031	300,000
3.050 Capital Outlay	111,120	98,491	112,611	85,000	80,000	80,000	80,000	85,000
4.020 Debt Service: Principal-Notes	46,335	47,335	51,705					
4.050 Debt Service: Principal - HB 264 Loans				57,000	57,500	58,441	58,441	58,441
4.060 Debt Service: Interest and Fiscal Charges	25,872	48,992	45,450	49,000	49,000	49,000	49,000	49,000
4.300 Other Objects	98,958	82,611	142,651	81,000	81,000	81,000	81,000	81,000
4.500 Total Expenditures	6,210,340	6,668,019	6,655,579	6,432,000	6,555,500	6,779,157	6,965,472	7,180,441
5.010 Operational Transfers - Out		57,500	98,865					
5.020 Advances - Out	121,685		100,442					
5.040 Total Other Financing Uses	121,685	57,500	199,307					
5.050 Total Expenditure and Other Financing Uses	6,332,025	6,725,519	6,854,886	6,432,000	6,555,500	6,779,157	6,965,472	7,180,441
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	21,892	(365,466)	(279,800)	57,858	(261,084)	(610,741)	(797,056)	(937,025)
7.010 Beginning Cash Balance	865,493	887,385	521,919	242,119	299,977	38,893	(571,848)	(1,368,904)
7.020 Ending Cash Balance	887,385	521,919	242,119	299,977	38,893	(571,848)	(1,368,904)	(2,305,929)
8.010 Outstanding Encumbrances	24,062	24,000	24,000	28,000	28,000	28,000	28,000	28,000
10.010 Fund Balance June 30 for Certification of Appropriations	863,323	497,919	218,119	271,977	10,893	(599,848)	(1,396,904)	(2,333,929)
12.010 Fund Bal June 30 for Cert of Contracts,Salary Sched,Oth Obligations	863,323	497,919	218,119	271,977	10,893	(599,848)	(1,396,904)	(2,333,929)
15.010 Unreserved Fund Balance June 30	863,323	497,919	218,119	271,977	10,893	(599,848)	(1,396,904)	(2,333,929)

Source: ODE

Table C-2: MLSD October 2014Five Year Forecast

	Actual			Forecasted				
Line	2012	2013	2014	2015	2016	2017	2018	2019
1.010 General Property (Real Estate)	2,037,757	2,071,152	2,034,416	1,934,416	1,784,416	1,773,416	1,773,416	1,773,416
1.030 Income Tax	1,157,672	1,137,378	1,234,907	1,245,000	1,245,000	1,245,000	1,245,000	1,245,000
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3.020 Employees' Retirement/Insurance Benefits	1,102,224	1,163,468	1,163,871	1,185,000	1,225,000	1,300,716	1,340,000	1,382,000
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4.300 Other Objects	98,958	82,611	142,651	81,000	81,000	81,000	81,000	81,000
4.500 Total Expenditures	6,210,340	6,668,019	6,655,579	6,432,000	6,555,500	6,779,157	6,965,472	7,180,441
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5.020 Advances - Out	121,685		100,442					
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15.010 Unreserved Fund Balance June 30	863,323	497,919	218,119	271,977	10,893	(599,848)	(1,396,904)	(2,333,929)

Source: ODE

Client Response

The letter that follows is the District's official response to the performance audit. Throughout the audit process, staff met with District officials to ensure substantial agreement on the factual information presented in the report. When the District disagreed with information contained in the report, and provided supporting documentation, revisions were made to the audit report.

MONROEVILLE LOCAL SCHOOLS

101 West Street
Monroeville, OH 44847

Phone: 419-465-2610
Fax: 419-465-4263
www.monroevilleschools.org

February 23,2015

Dave Yost
Auditor of State
88 E. Broad St.
Columbus, Ohio 43215

Dear Auditor Yost,

On behalf of the Monroeville Local School District, we would like to thank the entire Performance Audit team for their time and effort in preparing the audit report for our district. The Audit staff was thorough and professional during all phases of the performance audit process. With the understanding that the performance audit was requested by the Ohio Department of Education pursuant to Ohio Revised Code to conduct an audit of the Monroeville Local School District based upon current and future financial projections.

This letter of response fulfills the requirement of district reaction to the performance audit recommendations based on information provided by the Audit Team in the following areas:

- Financial Systems
- Human Resources
- Facilities
- Transportation
- Food Service

The district appreciates the expertise and experience provided by the performance audit team in reviewing our financial situation. In response to recommendations regarding District Financial Systems, the Monroeville Local School District is currently in the process of evaluating EMIS data input as well as restructuring and better organizing all levels of district financial budgeting and reporting.

In reviewing the remaining areas highlighted in the Audit Report the Monroeville Local School District is developing and in some cases has developed detailed plans to address the financial status, staffing levels, purchasing, and overall efficiency of each area. The district believes the plans developed in conjunction with the recommendations detailed by the audit team will provide a positive impact on the district's financial outlook. However, it is evident additional revenue must be provided through the passage of an operations levy to secure the stability of the Monroeville School District over the long term.

In summation, the District Performance Audit has provided valuable guidance to effectively reduce costs while maintaining district facilities and academic programming. The district is reviewing a number of cost saving measures to address our financial forecast and will continue all efforts to refine and reduce district expenditures recommended by the Performance Audit Team in their report.

G. Ralph Moore	Stephanie L. Hanna
Superintendent	Treasurer

MONROEVILLE LOCAL SCHOOL DISTRICT

HURON 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
MARCH 17, 2015

88 East Broad Street, Fourth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.ohioauditor.gov