



Dave Yost • Auditor of State

**WICKLIFFE PROGRESSIVE COMMUNITY SCHOOL
FRANKLIN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Wickliffe Progressive Community School
Franklin County
1950 N. Mallway Drive
Upper Arlington, Ohio 43221

To the Board of Directors:

We have audited the accompanying basic financial statements of Wickliffe Progressive Community School, Franklin County, Ohio (the School), a component unit of Upper Arlington City School District, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wickliffe Progressive Community School, Franklin County, Ohio, as of June 30, 2012, and the changes in financial position and its cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Notes 1 and 10, the School ceased operations on June 30, 2012.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2012, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

November 7, 2012

**THE WICKLIFFE PROGRESSIVE COMMUNITY SCHOOL
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

The discussion and analysis of the Wickliffe Progressive Community School (the "WPC School") financial performance provides an overall review of the WPC School financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the WPC School financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the WPC School's financial performance. Fiscal year 2012 was the sixth and final year of operations with students.

On March 13, 2012, Wickliffe Progressive Community School Board of Directors passed a resolution ("Resolution to Close") to shut down the operations of the WPC School. Operations ceased effective June 30, 2012.

FINANCIAL HIGHLIGHTS

- Net Assets decreased by \$208,707.
- Operating revenues accounted for \$3,167,992 in revenue or 94% of all revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of two parts – management's discussion and analysis and the basic financial statements. These statements are organized so the reader can understand the financial position of the WPC School. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Assets. The Statement of Net Assets represents the basic statement of position for the WPC School. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (e.g., revenue) and decreases (e.g., expenses) in net total assets. The Statement of Cash Flows reflects how the WPC School finances and meets its cash flow needs. Finally, the Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided on the basic financial statements.

As discussed in Note 10, on June 30, 2012, the WPC School ceased operations and all the assets were transferred to another community school in the state, therefore, amounts are not presented within the statement of net assets at June 30, 2012.

FINANCIAL ANALYSIS OF THE WPC SCHOOL AS A WHOLE

The following tables represent the WPC School's condensed financial information for 2012 and 2011 derived from the Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets.

**THE WICKLIFFE PROGRESSIVE COMMUNITY SCHOOL
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

	Net Assets	
	2012	2011
Current and other assets	\$ -	\$ 177,751
Capital assets, net	-	36,770
Total assets	-	214,521
Current liabilities	-	5,814
Total liabilities	-	5,814
Net assets		
Invested in capital assets	-	36,770
Unrestricted	-	171,937
Total net assets	\$ -	\$ 208,707

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2012 and 2011:

	Change in Net Assets	
	2012	2011
Operating Revenues:		
Foundation	\$ 3,145,844	\$ 2,792,196
Fees	11,941	11,844
Other	10,207	9,309
Total revenues	3,167,992	2,813,349
Expenses:		
Purchased Services	3,480,142	3,409,882
Supplies and Materials	40,546	59,348
Depreciation	27,396	27,575
Total expenses	3,548,084	3,496,805
Operating Loss	(380,092)	(683,456)
Non Operating Revenues		
Federal & State Grants	193,300	660,589
Transfer of Assets	(9,374)	-
Other	(12,541)	-
Change in Net Assets	(208,707)	(22,867)
Net Assets Beginning of Year	208,707	231,574
Net Assets End of Year	\$ -	\$ 208,707

**THE WICKLIFFE PROGRESSIVE COMMUNITY SCHOOL
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

The WPC School operates as a business-type enterprise fund. Results of fiscal year 2012 indicate a decrease in net assets of \$208,707 and ending net assets of \$0. The decrease is the result of the spending down of existing grant resources available to the WPC. The State Foundation revenues are funds paid to the WPC School from the State of Ohio based on enrollment in the WPC School of 515 and 493 full time equivalents in 2012 and 2011, respectively. The dependence upon State Foundation revenues is apparent as it represents 99.3% of the operating revenue of the WPC School.

BUDGET

Unlike other public schools located in the state of Ohio, community schools are not required to follow budgetary provisions set forth in the Ohio Revised Code Chapter 5705, unless specifically provided in the WPC School contract with its Sponsor. The contract between the WPC School and its Sponsor does not prescribe a budgetary process for the WPC School. The WPC School has developed a five-year projection that is reviewed periodically by the Board of Directors.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2012 The WPC School had no capital assets, as a result of the WPC School offering all assets to another Ohio community school.

Debt

The WPC School has not issued any debt.

CEASED OPERATIONS

On March 13, 2012, Wickliffe Progressive Community School Board of Directors passed a resolution ("Resolution to Close") to shut down the operations of the WPC School. Operations ceased effective June 30, 2012.

On the Statement of Revenues, Expenses, and Changes in Net Assets, the amount of net assets transferred to other community schools or public school districts has been reported as "transfer of assets".

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the WPC School finances and to show its accountability for the money it receives. If you have questions about this report or need additional information, contact Anita Dalluge, Treasurer of the Wickliffe Progressive Community School.

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**THE WICKLIFFE PROGRESSIVE COMMUNITY SCHOOL
FRANKLIN COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Operating Revenues:	
Foundation	\$ 3,145,844
Fees	11,941
Other	10,207
Total operating revenues	<u>3,167,992</u>
Operating Expenses:	
Purchased services	3,480,142
Supplies and materials	40,546
Depreciation	27,396
Total operating expenses	<u>3,548,084</u>
Operating loss	<u>(380,092)</u>
Nonoperating revenues (expenses)	
Federal and State grants	193,300
Transfer of assets	(9,374)
Other	(12,541)
	<u>171,385</u>
Change in net assets	(208,707)
Net assets at beginning of year	208,707
Net assets end of the year	<u><u>\$ -</u></u>

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

**THE WICKLIFFE PROGRESSIVE COMMUNITY SCHOOL
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Cash flows from operating activities:	
Cash received for foundation payments	\$ 3,145,844
Cash received for fees and other	22,242
Cash payments supplies and material	(44,582)
Cash payments for purchased services	<u>(3,481,920)</u>
Net cash used for operating activities	(358,416)
Cash flows from noncapital financing activities	
Federal and State grant monies received	280,028
Other	<u>(12,541)</u>
Net cash from noncapital financing activities	<u>267,487</u>
Net decrease in cash and cash equivalents	(90,929)
Cash and cash equivalents at beginning of year	<u>90,929</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (380,092)
Adjustment to reconcile operating loss to net cash used for operations:	
Depreciation	27,396
Changes in assets and liabilities:	
Decrease in receivable	94
Decrease in operating accounts payable	<u>(5,814)</u>
Net cash used in operating activities	<u><u>\$ (358,416)</u></u>
Non Cash activity:	
Transfer of assets	<u><u>\$ 9,374</u></u>

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

**THE WICKLIFFE PROGRESSIVE COMMUNITY SCHOOL
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012**

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

The Wickliffe Progressive Community School (the WPC School) is a legally separate not-for-profit served by an appointed five-member Board of Directors and meets the definition of a conversion school under chapter 3314 of the Ohio Revised Code. The WPC School offers students an academically integrated, student-centered, hands-on approach to learning with an emphasis on educating both the heart and mind. Its intent is to provide students with an understanding of the important role of community, on both a large and small scale, encouraging them to be active participants in both student action and integrated learning projects. The educational program teaches students to think critically, to be reflective, to draw connections between subject areas, to use problem-solving approaches to extend their thinking, and to express themselves confidently through academic discourse as well as through creative expression. The goal is to produce a student who feels he or she is an integral part of a caring school community and who is an independent, self-motivated and self-disciplined lifelong learner.

The WPC School is intended to serve kindergarten through fifth grade level students who reside within the Upper Arlington City School District and who are interested in pursuing an alternative schooling option.

The WPC School is a discretely presented component unit of the Upper Arlington City School District (Sponsor). The WPC School was approved for operation under a five year contract, starting July 1, 2005, with the Sponsor. The WPC School renewed its contract for up to five years with the Sponsor starting July 1, 2009.

At June 30, 2012, the WPC School operated under the direction of a five member Board of Directors made up of:

1. Three elected or appointed public officials or public employees, or other community leaders who have demonstrated a professional interest in education or in other issues involving children, and who desire to further the objectives of WPC School.
2. Two parents of students who attend WPC School or community civic leaders.

The WPC School ceased operations on June 30, 2012 (See Note 10).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the WPC School have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The WPC School also applies Financial Accounting Standards Board (FASB) Statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The WPC School does not apply FASB Statements and Interpretations issued after November 30, 1989. Following are the more significant of the WPC School's accounting policies.

(A) *Basis of Presentation*

The WPC School's basic financial statements consist of a Statement of Revenues, Expenses, and Changes in Net Assets, and a Statement of Cash Flows.

**THE WICKLIFFE PROGRESSIVE COMMUNITY SCHOOL
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(A) *Basis of Presentation (Continued)*

As discussed in Note 10, on June 30, 2012, the WPC School ceased operations and all assets were transferred to another community school, therefore, no amounts are reported within the Statement of Net Assets at June 30, 2012.

(B) *Measurement focus*

Enterprise accounting uses a flow economic *resources measurement focus*. With this measurement focus, all assets and liabilities associated with the operations are included on the Statement of Net Assets. The difference between total assets and total liabilities is defined as net assets. The Statement of Revenues, Expenses, and Changes in Net Assets presents increases (e.g. revenues) and decreases (e.g. expenses) in net total assets. The Statement of Cash Flows provides information about how the WPC School finances and meets the cash flow needs of its enterprise activities.

(C) *Basis of Accounting*

Basis of accounting determines when a transaction is recorded in the financial records and reported on the financial statements. The statements are prepared using the full accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the WPC School receives value without directly giving equal value in return, include grants, entitlements, and fees. Revenue from grants, entitlements, and fees is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the WPC School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the WPC School on a reimbursement basis. Expenses are recognized at the time they are incurred.

(D) *Budgetary Process*

Unlike other public schools located in the state of Ohio, community schools are not required to follow budgetary provisions set forth in the Ohio Revised Code Chapter 5705, unless specifically provided in the WPC Schools contract with the Sponsor. The WPC School's contract with its Sponsor does not prescribe a budgetary process.

(E) *Cash and Cash Equivalents*

All monies received by the WPC School are maintained in a demand deposit account. For internal accounting purposes, the WPC School segregates its cash. At June 30, 2012 the carrying amount of all WPC School deposits was \$0. Investments with an original maturity of three months or less at the time they are purchased are presented on the financial statements as cash equivalents. Investments with an original maturity of more than three months are reported as investments. During fiscal 2012, the WPC School had no investments.

**THE WICKLIFFE PROGRESSIVE COMMUNITY SCHOOL
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(F) *Capital Assets and Depreciation*

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated capital assets are recorded at their fair market values as of the date received. The WPC School follows the policy of not capitalizing assets with a cost of less than \$2,500.

All reported capital assets, with the exception of land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line half-year convention method over the following useful lives:

Furniture and Equipment	5 years
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(G) *Estimates*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(H) *Operating Revenues and Expenses*

Operating revenues are those revenues that are generated directly from the primary activities of the WPC School. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the WPC School. All revenues and expenses not meeting this definition are reported as non-operating.

(I) *Intergovernmental Revenues*

The WPC School participated in the State Foundation Program, through the Ohio Department of Education. Revenue from this program is recognized as operating revenue in the accounting period in which all eligibility requirements have been met. Amounts awarded under State Foundation Program for the 2012 school year excluding federal and state grants totaled \$3,145,844.

(J) *Unearned Revenue*

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants associated with the fiscal period are all considered to be susceptible to accrual and have been recognized as a receivable or revenue, or deferred revenue of the current fiscal period.

The WPC School participates in the Special Education IDEA Part B grant, Title I grant, Title II-A grant, Education Jobs grant, Race to the Top grant, and Title II-D grant. Revenues received from these programs are recognized as nonoperating revenues in the accompanying financial statements. Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is permitted, matching requirements, in which the WPC School must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the WPC School on a reimbursement basis. Federal and State grants for the fiscal year 2012 received by the WPC School were \$193,300.

**THE WICKLIFFE PROGRESSIVE COMMUNITY SCHOOL
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)**

3. CASH DEPOSITS

At June 30, 2012, the carrying amount of all WPC School deposits was \$0 and the bank balance was \$4,489. The WPC School ceased operations on June 30, 2012 (See Note 10).

Custodial credit risk is the risk that, in the event of a bank failure, the WPC School will not be able to recover deposits. All deposit balances were collateralized by the FDIC. In addition, all deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the WPC School.

4. RECEIVABLES

There were no receivables at June 30, 2012.

5. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2012, follows:

	<u>Balance at July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2012</u>
Equipment	\$ 137,874	\$ -	(\$137,874)	\$ -
Less: Accumulated Depreciation	<u>(101,104)</u>	<u>(27,396)</u>	<u>128,500</u>	<u>-</u>
Capital Assets, net	\$ <u>36,770</u>	\$ <u>(27,396)</u>	\$ <u>(9,374)</u>	\$ <u>-</u>

6. SPONSORSHIP AGREEMENT

The Community School Sponsorship Contract between the WPC School and the Upper Arlington City School District outlines the specific responsibilities to be provided by the Upper Arlington City School District to the WPC School as well the agreed upon payment amounts for any services provided to the WPC School by Upper Arlington City School District.

Under the contract, the Upper Arlington City School District is required to provide the following services:

1. Instructional, supervisory/administrative, and technical services sufficient to effectively implement the WPC School's educational plan, assessment and accountability plan.
2. Responsibility for all payroll functions, including retirement system contributions and all other legal withholding and/or payroll taxes with respect to all personnel providing to services to the WPC School. Also, all personnel shall possess any certification or licensure which may be required by law.
3. Provide technical services that include access to, and the use of, computer software, computer hardware, networking hardware, network services, and the services of technical support personnel.
4. Curricular services limited to standardized curriculum as developed.

**THE WICKLIFFE PROGRESSIVE COMMUNITY SCHOOL
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)**

7. RELATED PARTY TRANSACTIONS

The WPC School is a discretely presented component unit of the Upper Arlington City School District. As described in Note 1, the Upper Arlington City School District (Sponsor) is the WPC School Sponsor. The Sponsor and WPC School entered into a five-year sponsorship agreement starting July 1, 2005 and renewed July 1, 2009 whereby terms of the sponsorship were established.

In fiscal year 2012, payments made by the WPC School to the Sponsor totaled \$3,130,566, which is reported in purchased services. This represents contract service payment for teaching, equipment, and other related services provided by the Sponsor.

8. CONTINGENCIES

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by community schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The review for 2010-11 school year occurred and all documentation was found to be in order. The WPC School does not anticipate any material adjustments to state funding for fiscal year 2012.

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The WPC School received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the WPC School at June 30, 2012, if applicable, cannot be determined at this time.

9. RISK MANAGEMENT

The WPC School is exposed to various risks of loss related to torts, theft or damage, destruction of assets, errors and omissions, injuries to employees, and natural disasters. The WPC School maintains insurance coverage consistent with the Upper Arlington City School District, the WPC School Sponsor. Settlement amount did not exceed coverage amounts in fiscal year 2012, 2011 or 2010.

10. CEASED OPERATIONS

On March 13, 2012, the Wickliffe Progressive Community School Board of Directors passed a resolution ("Resolution to Close") to shut down the operations of the WPC School. Operations ceased effective June 30, 2012.

On the statement of revenues, expenses, and changes in net assets, net assets in the amount of \$9,374 were transferred to another community school in the state of Ohio.

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Wickliffe Progressive Community School
Franklin County
1950 N. Mallway Dr.
Upper Arlington, Ohio 43221

To the Board of Directors:

We have audited the financial statements of Wickliffe Progressive Community School, Franklin County, Ohio (the School), a component unit of Upper Arlington City School District, as of and for the year ended June 30, 2012, which collectively comprise the School's basic financial statements and have issued our report thereon dated November 7, 2012, wherein we noted the School ceased operations on June 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the School's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the School's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Wickliffe Progressive Community School
Franklin County
Independent Accountants' Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Required by
Government Auditing Standards
Page 2

We intend this report solely for the information and use of management, the Board of Directors, the School's sponsor (Upper Arlington City School District), and others within the School. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

November 7, 2012

**WICKLIFFE PROGRESSIVE COMMUNITY SCHOOL
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2011-001	State Fiscal Stabilization Fund - Allowable Costs / Cost Principles Questioned Cost - for audit cost charged from grant funds	Yes	

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Dave Yost • Auditor of State

WICKLIFFE PROGRESSIVE COMMUNITY SCHOOL

FRANKLIN 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 27, 2012