

***MEADOWS CHOICE COMMUNITY SCHOOL***

***LUCAS COUNTY***

**Audit Report**

**For the Year Ended June 30, 2009**

***CHARLES E. HARRIS & ASSOCIATES, INC.***  
Certified Public Accountants and Government Consultants





Mary Taylor, CPA  
Auditor of State

Meadows CHOICE Community School  
1853 South Avenue  
Toledo, Ohio 43609-2054

We have reviewed the *Report of Independent Accountants* of the Meadows CHOICE Community School, Lucas County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Meadows CHOICE Community School is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

December 2, 2009

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**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY  
AUDIT REPORT  
For the Year Ending June 30, 2009**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets.....	7
Statement of Revenues, Expenses and Changes in Net Assets.....	8
Statement of Cash Flows .....	9
Notes to the Basic Financial Statements.....	10
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Required by <i>Government Auditing Standards</i> .....	21
Schedule of Prior Audit Findings.....	23
Independent Accountant's Report on Applying Agreed-Upon Procedures.....	24

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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REPORT OF INDEPENDENT ACCOUNTANTS

Meadows CHOICE Community School  
Lucas County  
1853 South Avenue  
Toledo, Ohio 43609

To the Governing Board:

We have audited the accompanying basic financial statements of Meadows CHOICE Community School, Lucas County, Ohio, (the School), as of and for the year ended June 30, 2009, 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 *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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meadows CHOICE Community School, Lucas County, Ohio, as of June 30, 2009, and the changes in financial position and cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2009 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, 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 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.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally on inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

***Charles E. Harris & Associates, Inc.***

November 5, 2009



**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

The management's discussion and analysis of Meadows CHOICE Community School's (the "School") financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School's financial performance.

**Financial Highlights**

Key financial highlights for 2009 are as follows:

- In total, net assets were \$197,902 at June 30 2009.
- The School had operating revenues of \$1,362,152 and operating expenses of \$1,541,032 for fiscal year 2009. The School also had \$312,822 in non-operating revenues (expenses) during fiscal year 2009. Total change in net assets for the fiscal year was an increase of \$133,942.

**Using these Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School's financial activities. The *statement of net assets* and *statement of revenues, expenses and changes in net assets* provide information about the activities of the School, including all short-term and long-term financial resources and obligations.

**Reporting the School Financial Activities**

***Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets and the Statement of Cash Flows***

These documents look at all financial transactions and ask the question, "How did we do financially during 2009?" The statement of net assets and the statement of revenues, expenses and changes in net assets answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the School as a whole, the *financial position* of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 7 and 8 of this report.

The statement of cash flows provides information about how the School finances and is meeting the cash flow needs of its operations. The statement of cash flows can be found on page 9 of this report.

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)

The table below provides a summary of the School's net assets for fiscal years 2009 and 2008.

	<b>Net Assets</b>	
	<u>2009</u>	<u>2008</u>
<b><u>Assets</u></b>		
Current assets	\$ 327,439	\$ 196,088
Security deposits	4,000	4,000
Capital assets, net	<u>40,323</u>	<u>53,057</u>
Total assets	<u>371,762</u>	<u>253,145</u>
<b><u>Liabilities</u></b>		
Current liabilities	158,915	164,722
Non-current liabilities	<u>14,945</u>	<u>24,463</u>
Total liabilities	<u>173,860</u>	<u>189,185</u>
<b><u>Net Assets</u></b>		
Invested in capital assets, net of related debt	25,378	28,594
Restricted	55,182	13,016
Unrestricted	<u>117,342</u>	<u>22,350</u>
Total net assets	<u>\$ 197,902</u>	<u>\$ 63,960</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2009, the School's net assets totaled \$197,902. Current assets increased \$131,351 in fiscal year 2009 primarily due to an increase in cash and cash equivalents. Current liabilities decreased slightly in fiscal year 2009, mainly from a decrease in intergovernmental payables.

The revenue generated by community schools are heavily dependent upon per-pupil allotment given by the State foundation program and federal entitlement programs. Foundation payments attributed to 80.43% of total operating and non-operating revenues during fiscal year 2009.

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)

The table below shows the changes in net assets for fiscal years 2009 and 2008.

	2009	2008
<b><u>Operating Revenues:</u></b>		
State foundation	\$ 1,200,141	\$ 1,002,570
Special education	148,150	164,925
Other operating revenue	13,861	7,037
Total operating revenue	1,362,152	1,174,532
<b><u>Operating Expenses:</u></b>		
Salaries and wages	811,175	686,140
Fringe benefits	272,277	216,441
Purchased services	288,567	340,540
Materials and supplies	128,754	115,997
Depreciation	22,803	23,440
Other	17,456	7,619
Total operating expenses	1,541,032	1,390,177
<b><u>Non-operating revenues (expenses):</u></b>		
Federal and State grants	313,608	280,368
Interest income	589	976
Loss on disposal of asset	-	(3,853)
Interest and fiscal charges	(1,375)	(2,010)
Total non-operating revenues (expenses)	312,822	275,481
Change in net assets	133,942	59,836
Net assets at beginning of year	63,960	4,124
Net assets at end of year	\$ 197,902	\$ 63,960

The increase in foundation revenue and the increase in salaries and wage expenses are due to an increase in enrollment in the School.

**Capital Assets**

At June 30, 2009, the School had \$40,323 invested in furniture, fixtures and equipment, vehicles and capital leases, net of accumulated depreciation. See Note 6 in the notes to the basic financial statements for more detail on capital assets.

**Debt Administration**

The School had capital leases in the amount of \$14,945 outstanding at June 30, 2009. Of this total \$7,181 is due within one year and \$7,764 is due in greater than one year. See Note 12 in the notes to the basic financial statements for more detail on the capital leases outstanding.

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

**Current Financial Related Activities**

The School's fiscal agent relationship with the Lucas County Educational Service Center aids in raising the quality of financial records and strengthens internal controls. During the 2008-2009 school year, there were approximately 158 students enrolled in the School. The School relies on the State Foundation Funds as well as State and Federal Sub-Grants to provide the monies necessary to operate the School.

**Contacting the School's Financial Management**

This financial report is designed to provide our clients and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Ellin Bick, Director at Meadows CHOICE Community School, 1853 South Avenue, Toledo, Ohio 43609 or email [ellinbick@aol.com](mailto:ellinbick@aol.com).

**BASIC  
FINANCIAL STATEMENTS**

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

STATEMENT OF NET ASSETS  
JUNE 30, 2009

**Assets:**

Current assets:

Cash and cash equivalents . . . . .	\$	304,560
Receivables:		
Intergovernmental. . . . .		12,695
Prepayments . . . . .		10,184
		327,439

Non-current assets:

Security deposits . . . . .		4,000
Capital assets, net. . . . .		40,323
		44,323

Total assets . . . . .		371,762
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**Liabilities:**

Current liabilities:

Accounts payable . . . . .		4,825
Accrued wages and benefits . . . . .		111,852
Intergovernmental payable. . . . .		7,308
Pension obligation payable . . . . .		34,930
		158,915

Non-current liabilities:

Due within one year. . . . .		7,181
Due in more than one year . . . . .		7,764
		14,945

Total liabilities . . . . .		173,860
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**Net Assets:**

Invested in capital assets, net of related debt . .		25,378
Restricted for:		
Other purposes . . . . .		31,729
Federally funded programs. . . . .		23,453
Unrestricted. . . . .		117,342
		197,902
Total net assets. . . . .	\$	197,902

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

<b>Operating revenues:</b>	
State foundation. . . . .	\$ 1,200,141
Special education . . . . .	148,150
Other operating revenue. . . . .	13,861
Total operating revenue . . . . .	<u>1,362,152</u>
 <b>Operating expenses:</b>	
Salaries and wages . . . . .	811,175
Fringe benefits. . . . .	272,277
Purchased services. . . . .	288,567
Materials and supplies . . . . .	128,754
Depreciation . . . . .	22,803
Other. . . . .	17,456
Total operating expenses. . . . .	<u>1,541,032</u>
 Operating loss . . . . .	 <u>(178,880)</u>
 <b>Non-operating revenues (expenses):</b>	
Federal and State grants . . . . .	313,608
Interest income. . . . .	589
Interest and fiscal charges. . . . .	(1,375)
Total non-operating revenues (expenses) . . . . .	<u>312,822</u>
 Change in net assets . . . . .	 133,942
 <b>Net assets at beginning of year. . . . .</b>	 <u>63,960</u>
<b>Net assets at end of year . . . . .</b>	<b><u><u>\$ 197,902</u></u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

<b>Cash flows from operating activities:</b>	
Cash received from State foundation . . . . .	\$ 1,348,291
Cash received from other operations . . . . .	13,861
Cash payments for salaries and wages . . . . .	(802,951)
Cash payments for fringe benefits . . . . .	(276,438)
Cash payments to suppliers for goods and services. . .	(301,883)
Cash payments for materials and supplies . . . . .	(126,548)
Cash payments for other expenses . . . . .	(18,433)
	<hr/>
Net cash used in operating activities . . . . .	(164,101)
	<hr/>
<b>Cash flows from noncapital financing activities:</b>	
Federal and State grants. . . . .	333,118
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Net cash provided by noncapital financing activities .	333,118
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<b>Cash flows from capital and related financing financing activities:</b>	
Interest and fiscal charges. . . . .	(1,375)
Principal retirement on capital lease. . . . .	(9,518)
Acquisition of capital assets. . . . .	(10,069)
	<hr/>
Net cash used in capital and related financing activities . . . . .	(20,962)
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<b>Cash flows from investing activities:</b>	
Interest received . . . . .	589
	<hr/>
Net cash provided by investing activities . . . . .	589
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Net increase in cash and cash equivalents . . . . .	148,644
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<b>Cash and cash equivalents at beginning of period. . .</b>	<b>155,916</b>
<b>Cash and cash equivalents at end of period . . . . .</b>	<b>\$ 304,560</b>
	<hr/> <hr/>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss . . . . .	\$ (178,880)
Adjustments:	
Depreciation. . . . .	22,803
Changes in assets and liabilities:	
(Increase) in prepayments. . . . .	(2,217)
Increase in accounts payable. . . . .	4,583
Increase in accrued wages and benefits . . . . .	3,473
(Decrease) in intergovernmental payable. . . . .	(16,060)
Increase in pension obligation payable. . . . .	2,197
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Net cash used in operating activities . . . . .	\$ (164,101)
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 1 - DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY**

Meadows CHOICE (Center for Habilitation Options Insuring Children's Education) Community School (The "School") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The School is an approved tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the School's tax-exempt status. The School's objective is to provide an innovative, holistic approach to life-skill development through education, medical interface, clinical therapy, and collaboration with the community's stakeholders, to youth ages 11 through 14, with multi-handicapped, behavioral problems, developmental disorders and/or learning disabilities. The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices and all other operations. The School may sue and be sued, acquire facilities as needed and contract for any services necessary for the operation of the School.

The School was approved for operation under an initial contract with the Lucas County Educational Service Center (the "Sponsor") for a period of five years ending July 24, 1998 and has been renewed annually. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. The sponsorship agreement states the Treasurer of the Lucas County Educational Service Center shall serve as the Chief Financial Officer of the School (see Note 10).

The School operates under the direction of a five-member Governing Board. The Governing Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, State-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualifications of teachers. The Governing Board controls the School's one instructional/support facility staffed by 14 non-certified and 11 certified full-time teaching personnel who provide services to 158 students.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to a governmental nonprofit organization. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School's accounting policies are described below.

**A. Basis of Presentation**

The School's basic financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows. Enterprise fund reporting focuses on the determination of the change in net assets, financial position and cash flows.

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**B. Measurement Focus**

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statements of 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 flow provides information about how the School finances and meets the cash flow needs of its enterprise activities.

**C. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The School's financial statements are prepared using the accrual basis of accounting.

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

Nonexchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations 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 School must provide local resources to be used for a specific purpose and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

Expenses are recognized at the time they are incurred.

**D. Budgetary Process**

The contract between the School and its Sponsor does prescribe an annual budget requirement in addition to preparing a 5-year forecast that is to be updated on an annual basis. Chapter 5705.391(A) of the Ohio Revised Code also requires the School to prepare a 5-year forecast, update it annually and submit it to the Superintendent of Public Instruction at the Ohio Department of Education.

**E. Cash and Cash Equivalents**

The School's fiscal agent, the Lucas County Educational Service Center, accounts for all monies received by the School. All cash received by the fiscal agent is maintained in separate accounts in the School's name. Monies for the School are maintained in these accounts or temporarily used to purchase short-term investments.

For the purposes of the statement of cash flows and the presentation on the statement of net assets, investments with original maturities of three months or less at the time they are purchased by the School are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

During the fiscal year ended 2009, the School only has deposits.

**F. Intergovernmental Revenues**

The School currently participates in the State Foundation Program, IDEA-B grant, the Title VI-B grant, Title I-A, Title II-A, Title II-D, Title V and the Title IV-A. Revenues from the State Foundation Program are recognized as operating revenue in the accounting period in which all eligibility requirements had been met. Revenues received from the remaining programs are recognized as non-operating 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 School must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expense in the year in which services are consumed.

**H. Capital Assets**

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School maintains a capitalization threshold of \$500 for furniture and equipment, capital leases and vehicles. The School does not possess any infrastructure.

Improvements are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful life of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Life</u>
Furniture, Fixtures and Equipment	5 years
Capital Leases	5 years
Vehicles	5 years

**I. Net Assets**

Net assets represent the difference between assets and liabilities. Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditor, grantor, or laws or regulations of other governments. Net assets restricted for other purposes includes amounts restricted for food service operations and student activities.

The School applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**J. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activities. For the School, these revenues are primarily foundation payments from the State and sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the School. Revenues and expenses not meeting this definition are reported as non-operating.

**K. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results may differ from those estimates.

**L. Security Deposits**

The School entered into a lease for the use of the building for the administration and instruction of the School. Based on the lease agreement, a security deposit was required to be paid at the signing of the agreement. The lessor holds this amount, totaling \$4,000 (See Note 13).

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For fiscal year 2009, the School has implemented GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards".

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the School.

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the School.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the School.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the School.

**NOTE 4 - DEPOSITS**

At fiscal year end June 30, 2009, the carrying amount of the School's deposits was \$304,560 and the bank balance was \$367,587. As of June 30, 2009, \$250,000 was covered by the Federal Depository Insurance Corporation and \$117,587 was protected by a collateral pool of eligible securities deposited with a qualified trustee and is exposed to custodial credit risk.

Custodial credit risk is the risk that in the event of bank failure, the School will not be able to recover deposits or collateral securities that are in the possession of an outside party. The School has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**NOTE 5 - RECEIVABLES**

Receivables at June 30, 2009, consisted of intergovernmental receivables arising from grants, entitlement and shared revenues. All receivables are considered collectable in full. A summary of the principal items of receivables follows:

Receivables	Amount
Intergovernmental:	
Title I	\$ 2,367
Title V	271
Title IV	1,347
Title II-A	2,310
IDEA-B	5,198
Title II-D	1,027
Food service - State	175
Total Intergovernmental Receivables	\$ 12,695

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2009, was as follows:

	Balance 06/30/08	Additions	Deductions	Balance 06/30/09
Capital assets:				
Furniture, fixtures and equipment	\$ 71,271	\$ -	\$ -	\$ 71,271
Capital leases	45,931	-	-	45,931
Vehicles	-	10,069	-	10,069
Total capital assets	<u>117,202</u>	<u>10,069</u>	<u>-</u>	<u>127,271</u>
Less: accumulated depreciation				
Furniture, fixtures and equipment	(37,614)	(13,822)	-	(51,436)
Capital leases	(26,531)	(7,974)	-	(34,505)
Vehicles	-	(1,007)	-	(1,007)
Total accumulated depreciation	<u>(64,145)</u>	<u>(22,803)</u>	<u>-</u>	<u>(86,948)</u>
Total capital assets, Net of accumulated depreciation	<u>\$ 53,057</u>	<u>\$ (12,734)</u>	<u>\$ -</u>	<u>\$ 40,323</u>

**NOTE 7 - RISK MANAGEMENT**

**A. Property and Liability**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2009, the School contracted with the Cincinnati Insurance Company for general liability, property and educational errors and omissions insurance. The insurance coverage is as follows:

Commercial General Liability per Occurrence	\$ 1,000,000
Commercial General Liability Aggregate	1,000,000
Commercial General Liability Personal & Advertising Injury	1,000,000
Teacher's Professional Liability per Occurrence	1,000,000
Teacher's Professional Liability Aggregate	1,000,000

The School owns no property, but leases a facility located at 1853 South Avenue, Toledo, Ohio.

**B. Workers' Compensation**

The School pays the State Worker's Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

**C. Employee Benefits**

The School contracted through the Lucas County Educational Service Center to provide employee medical, dental and vision insurance to its employees. The School pays the full amount of the monthly premiums for all selected coverage (medical, dental and/or vision).

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**NOTE 8 - PENSION PLANS**

**A. School Employees Retirement System**

Plan Description - The School contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under *Forms and Publications*.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute at an actuarially determined rate. The current School rate is 14 percent of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$35,031, \$29,124 and \$30,659, respectively; 85.23 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

**B. State Teachers Retirement System of Ohio**

Plan Description - The School participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 8 - PENSION PLANS - (Continued)**

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008 and 2007 were \$54,155, \$47,899 and \$49,846, respectively; 91.64 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$1,884 made by the School and \$ 1,794 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2009, certain members of the Governing Board have elected Social Security. The School's liability is 6.2 percent of wages paid.

**NOTE 9 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description - The School participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, the actuarially determined amount was \$35,800.



**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)**

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School's contributions for health care (including surcharge) for the fiscal years ended June 30, 2009, 2008, and 2007 were \$20,828, \$19,422 and \$16,311, respectively; 85.23 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2009, this actuarially required allocation was 0.75 percent of covered payroll. The School's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$2,890, \$2,098 and \$2,085, respectively; 85.23 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

**B. State Teachers Retirement System of Ohio**

Plan Description - The School contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$4,166, \$3,685 and \$3,834, respectively; 91.64 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

**NOTE 10 - FISCAL AGENT**

The sponsorship agreement states the Treasurer of the Lucas County Educational Service Center shall serve as the Chief Fiscal Officer of the School. As part of this agreement, the School shall compensate the Lucas County Educational Service Center two percent (2%) of the per pupil allotment paid to the School from the State of Ohio. A total contract payment of \$27,983 was paid during the year and a liability in the amount of \$3,667 was accrued as a liability for the year ended June 30, 2009.

The Treasurer shall perform all of the following functions while serving as the Chief Fiscal Officer of the School:

- Maintain custody of all funds received by the School in segregated accounts separate from the Sponsor or any other Community School's funds;
- Maintain all books and accounts of the School;

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 10 - FISCAL AGENT - (Continued)**

- Maintain all financial records of all state funds of the School and follow State Auditor procedures for receiving and expending State funds;
- Assist the School in meeting all financial reporting requirements established by the Auditor of Ohio;
- Invest funds of the School in the same manner as the funds of the Sponsor are invested, but the Treasurer shall not commingle the funds with any of the Sponsor or any other community school; and,
- Pay obligations incurred by the School within a reasonable amount of time, not more than 14 calendar days after receipt of a properly executed voucher signed by the Chief Administrative Officer of the School so long as the proposed expenditure is within the approved budget and funds are available.

**NOTE 11 - PURCHASED SERVICES**

For the period July 1, 2008 through June 30, 2009, purchased service expenses were payments for services rendered by various vendors, and are as follows:

<b><u>PURCHASED SERVICES</u></b>	
Professional and technical services	\$ 123,238
Property services	138,151
Travel mileage/meeting expense	2,996
Communications	5,800
Contracted craft or trade service	3,880
Pupil transportation services	10,800
Other	<u>3,702</u>
Total	<u>\$ 288,567</u>

**NOTE 12 - CAPITALIZED LEASE - LESSEE DISCLOSURE**

In a prior year, the School entered into capitalized leases for four copiers with MT Business Technologies, Inc. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lease. The capital lease has been recorded at the present value of the future minimum lease payments as of inception date. Principal and interest payments made totaled \$9,518 and \$1,375, respectively for fiscal year 2009.

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 12 - CAPITALIZED LEASE - LESSEE DISCLOSURE - (Continued)**

The following is a schedule of the future minimum lease payments required under the capital lease and present value of the minimum lease payment as of June 30, 2009.

Fiscal Year Ending June 30,	Principal	Interest
2010	\$ 7,181	\$ 796
2011	5,367	357
2012	<u>2,397</u>	<u>73</u>
Total	<u>\$ 14,945</u>	<u>\$ 1,226</u>

**NOTE 13 - OPERATING LEASES**

- A. The School renegotiated its operating lease, for the period August 1, 2006 through July 31, 2007 with the Bethel Lutheran Church, to lease classroom space to house the School, in the amount of \$7,674 per month. This lease was renewed for an additional two year period commencing on August 1, 2007 and terminating on July 31, 2009. Rent payments in the amount of \$92,088 were made in fiscal year 2009. Per the lease agreement, a security deposit of \$4,000 was required to be paid at the signing of the agreement and is held by the lessor.
- B. The School entered into two thirty-six month operating leases with Tesco Transportation for the use of two school buses, commencing August 1, 2008. The total lease payments are \$1,959 per month. Payments in the amount of \$24,110 were made in fiscal year 2009.

**NOTE 14 - CONTINGENCIES**

**A. Grants**

The School received financial assistance from State agencies in the form of grants. The expense of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2009.

**B. State Foundation Funding**

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the 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 School anticipates no adjustments to State funding for fiscal year 2010, as a result of the reviews which have yet to be completed.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Meadows CHOICE Community School  
Lucas County  
1853 South Avenue  
Toledo, Ohio 43609

To the Governing Board:

We have audited the basic financial statements of Meadows CHOICE Community School, Lucas County (School), as of and for the year ended June 30, 2009, and have issued our report thereon dated November 5, 2009. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls 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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School's financial statements that is more than inconsequential will not be prevented or detected by the School's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School's internal control.

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, 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*.

We noted certain matters that we have reported to management of the District in a separate letter dated November 5, 2009.

This report is intended for the information and use of management, the Governing Board, the audit committee and the Community School's sponsor, and is not intended to be and should not be used by anyone other than these specified parties.

***Charles E. Harris & Associates, Inc.***

November 5, 2009

**MEADOWS CHOICE COMMUNITY SCHOOL  
LUCAS COUNTY  
JUNE 30, 2009**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

The prior audit report, for the year ending June 30, 2008, reported no material citations or recommendations.

***Charles E. Harris & Associates, Inc.***  
***Certified Public Accountants***

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INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

Meadows CHOICE Community School  
Lucas County  
1853 South Avenue  
Toledo, Ohio 43609

To the Governing Board:

Ohio Revised Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Ohio Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of the any anti-harassment policy adopted by a school district or community school.”

Accordingly, we have performed the procedures enumerated below, which are agreed to by the Board, solely to assist the Board in evaluating whether the Meadows CHOICE Community School (the School) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on September 9, 2009.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
  - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
  - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
  - (3) A procedure for reporting prohibited incidents;
  - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
  - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the “Family Educational Rights and Privacy Act of 1974, “88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

- (6) A procedure for documenting any prohibiting incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administrator semiannually provide the president of the school board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974, "88 Stat, 571 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

***Charles E. Harris & Associates, Inc.***

November 5, 2009





**Mary Taylor, CPA**  
Auditor of State

**MEADOWS CHOICE COMMUNITY SCHOOL**

**LUCAS COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 15, 2009**