



**WICKLIFFE CITY SCHOOL DISTRICT
LAKE COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2009



Mary Taylor, CPA
Auditor of State

**WICKLIFFE CITY SCHOOL DISTRICT
LAKE COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Wickliffe City School District
Lake County
2221 Rockefeller Road
Wickliffe, Ohio 44092

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of the Wickliffe City School District, Lake County, Ohio, (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions 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 opinions.

Ohio Administrative Code § 117-2-03(B) requires the District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than generally accepted accounting principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that while material, we cannot determine at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of the Wickliffe City School District, Lake County, Ohio, as of June 30, 2009, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof and for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2010, on our consideration of the District'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.

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, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The Federal Awards Receipts and Expenditure Schedule presents additional information and is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. It is not a required part of the basic financial statements. We subjected this schedule to the auditing procedures applied in our audit of the District's financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Mary Taylor, CPA
Auditor of State

February 19, 2010

**Wickliffe City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited**

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

Financial Highlights

Key financial highlights for 2009 are as follows:

- In total, net assets decreased \$680,508. Net assets of governmental activities decreased \$681,633, which represents a 6 % decrease from 2008. Net assets of business-type activities increased \$1,125 or 1% from 2008.
- General receipts accounted for \$18,231,720 in receipts or 90% of all receipts. Program specific receipts in the form of charges for services and sales, grants and contributions accounted for \$1,983,155 or 10% of total receipts of \$20,214,875.
- The District had \$20,655,125 in disbursements related to governmental activities; only \$1,743,495 of these disbursements was offset by program specific charges for services, grants or contributions. General receipts supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$18,229,997 were not adequate to provide for these programs resulting in a decrease of net assets from \$11,629,191 to \$10,947,558.
- The District had \$240,258 in disbursements related to business-type activities; a total of \$239,660 was offset by program specific charges for services, grants and contributions. Total program receipts were not adequate to provide for these programs by \$598, however other general receipts totaling \$1,723 resulted in an increase to net assets from \$126,675 to \$127,800.
- The District's major governmental fund is the general fund. The general fund had \$18,554,611 in receipts and other financing sources and \$19,090,826 in disbursements and other financing uses. The general fund's fund balance decreased \$536,215 from \$10,749,927 to \$10,213,712.

Using these Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Government's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited**

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related receipts (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the District as a Whole

The Statement of Net Assets and Statement of Activities

The statement of net assets and the statement of activities reflect how the District did financially during 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other nonfinancial factors as well such as the District's property tax base, the condition of the District's capital assets, the extent of the District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local receipt sources such as property taxes.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

**Wickliffe City School District
Management's Discussion and Analysis
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Business-type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's food service, rotary fund and special enterprise operations are reported as business-type activities.

Reporting the District's Most Significant Funds

Fund financial statements provide detailed information about the District's major funds – not the Government as a whole. The Government establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Government are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds

Most of the District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Government's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Government's programs. The Government's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Government's only major governmental fund is the General Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Proprietary Funds

When the Government charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Government has several enterprise funds, the food service, rotary and special enterprise funds. When the services are provided to other department of the Government, the service is reported as an internal service fund. The Government has one internal service fund to account for employee health-care claims.

Fiduciary Funds

The District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Liabilities on page 23. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**Wickliffe City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited**

The District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2009 and 2008.

**Table 1
Net Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Assets:						
Cash and cash equivalents	\$ 10,947,558	\$ 11,629,191	\$ 127,800	\$ 126,675	\$ 11,075,358	\$ 11,755,866
Total assets	<u>10,947,558</u>	<u>11,629,191</u>	<u>127,800</u>	<u>126,675</u>	<u>11,075,358</u>	<u>11,755,866</u>
Net assets:						
Restricted for:						
Capital projects	495,318	589,741	-	-	495,318	589,741
Other purposes	60,937	95,984	-	-	60,937	95,984
Unrestricted	<u>10,391,303</u>	<u>10,943,466</u>	<u>127,800</u>	<u>126,675</u>	<u>10,519,103</u>	<u>11,070,141</u>
Total net assets	<u>\$ 10,947,558</u>	<u>\$ 11,629,191</u>	<u>\$ 127,800</u>	<u>\$ 126,675</u>	<u>\$ 11,075,358</u>	<u>\$ 11,755,866</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position.

Total assets decreased by \$680,508 from 2008 to 2009. The decrease was partially due to the loss of investment earnings throughout the year and the increase in expenditures primarily for construction and renovation projects.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year and the prior year.

**Wickliffe City School District
Management's Discussion and Analysis
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Unaudited**

**Table 2
Changes in Net Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash Receipts:						
Program cash receipts:						
Charges for services	\$ 433,221	\$ 491,815	\$ 144,659	\$ 147,032	\$ 577,880	\$ 638,847
Operating grants	<u>1,310,274</u>	<u>1,400,794</u>	<u>95,001</u>	<u>59,009</u>	<u>1,405,275</u>	<u>1,459,803</u>
Total program cash receipts	<u>1,743,495</u>	<u>1,892,609</u>	<u>239,660</u>	<u>206,041</u>	<u>1,983,155</u>	<u>2,098,650</u>
General cash receipts:						
Property taxes	12,110,643	11,763,100	-	-	12,110,643	11,763,100
Grants and entitlements	5,692,503	4,946,300	-	-	5,692,503	4,946,300
Investment earnings	239,647	498,196	-	-	239,647	498,196
Other	167,658	176,172	-	-	167,658	176,172
Gain on sale of assets	<u>21,269</u>	<u>50,452</u>	<u>-</u>	<u>-</u>	<u>21,269</u>	<u>50,452</u>
Total general cash receipts	18,231,720	17,434,220	-	-	18,231,720	17,434,220
Transfers	<u>(1,723)</u>	<u>(19,955)</u>	<u>1,723</u>	<u>19,955</u>	<u>-</u>	<u>-</u>
Total cash receipts	<u>19,973,492</u>	<u>19,306,874</u>	<u>241,383</u>	<u>225,996</u>	<u>20,214,875</u>	<u>19,532,870</u>
Cash disbursements:						
Program cash disbursements:						
Instruction:						
Regular	6,914,514	6,627,264	-	-	6,914,514	6,627,264
Special	2,340,472	2,295,915	-	-	2,340,472	2,295,915
Vocational	24,787	224,221	-	-	24,787	224,221
Other	703,680	525,556	-	-	703,680	525,556
Support services						
Pupil	1,051,763	1,009,486	-	-	1,051,763	1,009,486
Instructional staff	835,787	667,710	-	-	835,787	667,710
Board of education	296,713	231,867	-	-	296,713	231,867
Administration	1,373,962	1,338,248	-	-	1,373,962	1,338,248
Fiscal	588,682	541,039	-	-	588,682	541,039
Business	74,434	71,307	-	-	74,434	71,307
Operation and maintenance - plant						
Pupil transportation	1,959,148	1,960,816	-	-	1,959,148	1,960,816
Central services	949,625	915,751	-	-	949,625	915,751
Central services	502,268	465,493	-	-	502,268	465,493
Operations of non-instruction services						
Extracurricular activities	495,785	542,920	-	-	495,785	542,920
Facilities acquisition and construction	360,902	335,624	-	-	360,902	335,624
Rotary	2,182,603	98,254	-	-	2,182,603	98,254
Food service	-	-	16,401	-	16,401	-
Special enterprise	-	-	169,895	153,319	169,895	153,319
Special enterprise	<u>-</u>	<u>-</u>	<u>53,962</u>	<u>50,721</u>	<u>53,962</u>	<u>50,721</u>
Total cash disbursements	<u>20,655,125</u>	<u>17,851,471</u>	<u>240,258</u>	<u>204,040</u>	<u>20,895,383</u>	<u>18,055,511</u>
Change in net assets	<u>\$ (681,633)</u>	<u>1,455,403</u>	<u>\$ 1,125</u>	<u>\$ 21,956</u>	<u>\$ (680,508)</u>	<u>\$ 1,477,359</u>

**Wickliffe City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited**

Governmental Activities

Net assets of the District's governmental activities decreased by \$681,633. Total governmental disbursements of \$20,655,125 was primarily offset by program receipts of \$1,743,495 and general receipts of \$18,229,997. Program receipts supported 8% of the total governmental disbursements.

The primary sources of receipts for governmental activities are derived from property taxes and grants and entitlements. These two receipts sources represent 88% of total governmental receipts. Property taxes support 59% of total disbursements while grants and entitlements supported 28% of total disbursements.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2009. That is, it identifies the cost of these services supported by tax receipts and unrestricted State grants and entitlements.

**Table 3
Total Cost of Program Services**

	<u>Governmental Activities</u>		<u>Net Cost of Services</u>	
	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Program cash disbursements:				
Instruction:				
Regular	\$ 6,914,514	6,627,264	\$ (6,686,167)	\$ (6,451,378)
Special	2,340,472	2,295,915	(1,571,370)	(1,324,642)
Vocational	24,787	224,221	(24,787)	(224,221)
Other	703,680	525,556	(703,680)	(525,556)
Support services:				
Pupil	1,051,763	1,009,486	(979,845)	(936,935)
Instructional staff	835,787	667,710	(833,357)	(665,280)
Board of education	296,713	231,867	(296,713)	(231,867)
Administration	1,373,962	1,338,248	(1,373,962)	(1,338,248)
Fiscal	588,682	541,039	(588,682)	(541,039)
Business	74,434	71,307	(74,434)	(71,307)
Operation and maintenance - plant	1,959,148	1,960,816	(1,958,788)	(1,957,673)
Pupil transportation	949,625	915,751	(949,625)	(915,751)
Central	502,268	465,493	(488,268)	(441,245)
Operations of non-instructional services	495,785	542,920	(303,878)	(375,228)
Extracurricular activities	360,902	335,624	104,529	139,762
Facilities acquisition and construction	<u>2,182,603</u>	<u>98,254</u>	<u>(2,182,603)</u>	<u>(98,254)</u>
Total cash disbursements	<u>\$ 20,655,125</u>	<u>\$ 17,851,471</u>	<u>\$ (18,911,630)</u>	<u>\$ (15,958,862)</u>

The dependence upon tax receipts during fiscal year 2009 for governmental activities is apparent, as 90% of 2009 instruction activities are supported through taxes and other general receipts. The District's taxpayers, as a whole, are by far the primary support for District's students.

**Wickliffe City School District
Management's Discussion and Analysis
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Unaudited**

Business-Type Activities

Business-type activities include food service operation, rotary fund and special enterprise. These programs had receipts of \$241,383 and disbursements of \$240,258 for fiscal year 2009. Management assesses the performance of each of these funds to ensure that they are run efficiently.

The District's Funds

Total governmental funds had receipts, including other financing sources of \$20,019,029 and disbursements, including other financing uses of \$20,700,662. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$536,215 primarily due to construction and renovation projects.

The table that follows assists in illustrating the disbursements of the general fund:

	<u>2009</u>	<u>2008</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
Disbursement by Object:			
Instruction	\$ 9,572,481	\$ 9,133,258	4.81%
Support services	7,062,270	6,580,921	7.31
Operations of non-instructional services	83	-	100.00
Facilities acquisition and construction	2,182,603	98,254	2,121.39
Extracurricular activities	<u>244,410</u>	<u>223,945</u>	9.14
Total	<u>\$ 19,061,847</u>	<u>\$ 16,036,378</u>	

The most significant increase was in the area of facilities acquisition and construction. This was primarily due to construction and renovation projects within the District.

General Fund Budget Information

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During 2009, the District amended its General Fund budget several times to reflect changing circumstances. Final disbursements, not including other financing uses, were budgeted at \$23,323,268 while actual disbursements, not including other financing uses, were \$19,804,601. Disbursements were not above budget, as well as receipts being above expectations. The result is the decrease in fund balance of \$1,278,969 for 2009.

**Wickliffe City School District
Management's Discussion and Analysis
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Capital Assets

The District does not report capital assets as the acquisitions are recorded as disbursements when paid.

Current Financial Related Activities

Wickliffe City School District has continued to maintain services to its students, parents and community. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast.

The financial future of the School District is not without its challenges. These challenges are internal and external in nature. The internal challenges will continue to exist as the School District must rely heavily on local property taxes to fund its operations. External challenges continue to evolve as the federal, state and local funding policies dictate.

The School District relies heavily on its taxpayers to support its operations. The community support for the schools is strong. The School District last passed a continuing operating levy in 2005. The School District has communicated to the community they rely upon their support for the majority of its operations. The community also realizes the income generated by local levies remains relatively constant, therefore, forcing the School District to come back to the voters to ask for additional support.

Wickliffe City School District has not anticipated any meaningful growth in state revenue. With 55 percent of the taxes for the School District coming from local tax payers, one can see the significant impact this change would have on the School District and ultimately, the residential taxpayers.

As a result of the challenges mentioned above, it is imperative the School District's management continue to carefully and prudently plan in order to provide the resources required to meet changing educational needs.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Susan M. Haffey, Treasurer, at Wickliffe City School District, 2221 Rockefeller Road, Wickliffe, Ohio 44092 or by email at wc_treas@lgca.org.

Wickliffe City School District

Statement of Net Assets – Cash Basis

June 30, 2009

	Primary Government		
	Governmental	Business -	
	Activities	Type	Total
		Activities	
Assets:			
Equity in pooled cash and cash equivalents	\$ <u>10,947,558</u>	\$ <u>127,800</u>	\$ <u>11,075,358</u>
Total assets	<u>10,947,558</u>	<u>127,800</u>	<u>11,075,358</u>
Net assets:			
Restricted for:			
Capital projects	495,318	-	495,318
Other purposes	60,937	-	60,937
Unrestricted	<u>10,391,303</u>	<u>127,800</u>	<u>10,519,103</u>
Total net assets	\$ <u><u>10,947,558</u></u>	\$ <u><u>127,800</u></u>	\$ <u><u>11,075,358</u></u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Wickliffe City School District

Statement of Activities – Cash Basis

For The Fiscal Year Ended June 30, 2009

	Cash Disbursements	Program Cash Receipts	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Instruction:			
Regular education	\$ 6,914,514	\$ 112,188	\$ 116,159
Special education	2,340,472	10,891	758,211
Vocational education	24,787	-	-
Other	703,680	-	-
Support services:			
Pupil	1,051,763	71,918	-
Instructional staff	835,787	-	2,430
Board of education	296,713	-	-
Administration	1,373,962	-	-
Fiscal	588,682	-	-
Business	74,434	-	-
Operations and maintenance - plant	1,959,148	360	-
Pupil transportation	949,625	-	-
Central services	502,268	-	14,000
Operations and non-instructional services	495,785	191,907	-
Extracurricular activities	360,902	45,957	419,474
Facilities acquisition	<u>2,182,603</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>20,655,125</u>	<u>433,221</u>	<u>1,310,274</u>
Business-type activities:			
Food service	169,895	73,171	95,001
Rotary	16,401	5,155	-
Special enterprise fund	<u>53,962</u>	<u>66,333</u>	<u>-</u>
Total business-type activities	<u>240,258</u>	<u>144,659</u>	<u>95,001</u>
Totals	\$ <u>20,895,383</u>	\$ <u>577,880</u>	\$ <u>1,405,275</u>

General cash receipts:
 Property taxes levies for:
 General purpose
 Grant and entitlements not restricted to
 specific programs
 Investment earnings
 Gain on sale of assets
 Miscellaneous
 Total general cash receipts
 Transfers
 Total general cash receipts and transfers

Change in net assets

Net assets at, beginning of year

Net assets at, end of year

The Notes to the Basic Financial Statements are an Integral Part of this Statement

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
\$ (6,686,167)	\$ -	\$ (6,686,167)
(1,571,370)	-	(1,571,370)
(24,787)	-	(24,787)
(703,680)	-	(703,680)
(979,845)	-	(979,845)
(833,357)	-	(833,357)
(296,713)	-	(296,713)
(1,373,962)	-	(1,373,962)
(588,682)	-	(588,682)
(74,434)	-	(74,434)
(1,958,788)	-	(1,958,788)
(949,625)	-	(949,625)
(488,268)	-	(488,268)
(303,878)	-	(303,878)
104,529	-	104,529
<u>(2,182,603)</u>	<u>-</u>	<u>(2,182,603)</u>
<u>(18,911,630)</u>	<u>-</u>	<u>(18,911,630)</u>
-	(1,723)	(1,723)
-	(11,246)	(11,246)
<u>-</u>	<u>12,371</u>	<u>12,371</u>
<u>-</u>	<u>(598)</u>	<u>(598)</u>
<u>(18,911,630)</u>	<u>(598)</u>	<u>(18,912,228)</u>
12,110,643	-	12,110,643
5,692,503	-	5,692,503
239,647	-	239,647
21,269	-	21,269
<u>167,658</u>	<u>-</u>	<u>167,658</u>
18,231,720	-	18,231,720
<u>(1,723)</u>	<u>1,723</u>	<u>-</u>
<u>18,229,997</u>	<u>1,723</u>	<u>18,231,720</u>
(681,633)	1,125	(680,508)
<u>11,629,191</u>	<u>126,675</u>	<u>11,755,866</u>
\$ <u>10,947,558</u>	\$ <u>127,800</u>	\$ <u>11,075,358</u>

Wickliffe City School District

Balance Sheet – Cash Basis Governmental Funds

June 30, 2009

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ <u>10,213,712</u>	\$ <u>730,077</u>	\$ <u>10,943,789</u>
Total assets	\$ <u>10,213,712</u>	\$ <u>730,077</u>	\$ <u>10,943,789</u>
Fund balances:			
Reserved for encumbrances	\$ 742,756	\$ 83,955	\$ 826,711
Unreserved; undesignated (deficit) for:			
General fund	9,470,956	-	9,470,956
Special revenue funds	-	150,804	150,804
Capital projects funds	-	<u>495,318</u>	<u>495,318</u>
Total fund balances	\$ <u>10,213,712</u>	\$ <u>730,077</u>	\$ <u>10,943,789</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Wickliffe City School District

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities – Cash Basis

June 30, 2009

Total Governmental Funds Balances \$ 10,943,789

Amounts Reported for Governmental Activities in the
Statement of Net Assets are different because:

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets of the Internal Service Funds are included in Governmental Activities in the Statement of Net Assets.

3,769

Net assets of governmental activities \$ 10,947,558

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Wickliffe City School District

Statement of Cash Receipts, Disbursements and Changes in Fund Balances – Cash Basis Governmental Funds

For The Fiscal Year Ended June 30, 2009

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash receipts:			
Taxes	\$ 12,110,643	\$ -	\$ 12,110,643
Earnings on investments	190,138	49,509	239,647
Extracurricular activities	45,957	118,408	164,365
Classroom materials and fees	112,188	-	112,188
Tuition and fees	10,891	-	10,891
Charges for services	-	-	-
Miscellaneous	191,907	44,000	235,907
Intergovernmental	<u>5,773,430</u>	<u>1,224,143</u>	<u>6,997,573</u>
Total cash receipts	<u>18,435,154</u>	<u>1,436,060</u>	<u>19,871,214</u>
Cash disbursements:			
Instruction:			
Regular education	6,809,035	104,877	6,913,912
Special education	2,040,127	298,942	2,339,069
Vocational education	24,787	-	24,787
Other	698,532	5,148	703,680
Support Services:			
Pupils	701,772	349,991	1,051,763
Instructional staff	785,740	50,047	835,787
Board of education	296,713	-	296,713
Administration	1,283,136	90,826	1,373,962
Fiscal services	588,682	-	588,682
Business	74,434	-	74,434
Operations and maintenance - plant	1,959,148	-	1,959,148
Pupil transportation	949,322	303	949,625
Central services	423,323	78,945	502,268
Operations of non-instructional services	83	495,702	495,785
Extracurricular activities:			
Academic and subject oriented	15,627	17,904	33,531
Sports oriented	206,197	98,588	304,785
Co-curricular	22,586	-	22,586
Capital Outlay			
Site improvement services	327,343	-	327,343
Architecture and engineering services	32,213	-	32,213
Building improvement services	1,815,879	-	1,815,879
Other facilities acquisition and construction	<u>7,168</u>	<u>-</u>	<u>7,168</u>
Total cash disbursements	<u>19,061,847</u>	<u>1,591,273</u>	<u>20,653,120</u>
Total excess of cash receipts over (under) cash disbursements	<u>(626,693)</u>	<u>(155,213)</u>	<u>(781,906)</u>

Continued

Wickliffe City School District

Statement of Cash Receipts, Disbursements and Changes in Fund Balances – Cash Basis Governmental Funds (continued)

For The Fiscal Year Ended June 30, 2009

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):			
Proceeds from the sale of capital assets	20,222	1,047	21,269
Advances – in	17,003	-	17,003
Transfers – in	-	26,811	26,811
Refund of prior year disbursements	82,232	500	82,732
Advances – out	-	(17,003)	(17,003)
Transfers – out	(28,534)	-	(28,534)
Refund of prior year receipts	(445)	(1,560)	(2,005)
Total other financing sources (uses)	<u>90,478</u>	<u>9,795</u>	<u>100,273</u>
Net change in fund balance	(536,215)	(145,418)	(681,633)
Fund balance at beginning of year	<u>10,749,927</u>	<u>875,495</u>	<u>11,625,422</u>
Fund balance at end of year	\$ <u>10,213,712</u>	\$ <u>730,077</u>	\$ <u>10,943,789</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Wickliffe City School District

Reconciliation of the Statement of Cash Receipts, Disbursements and Changes in Fund Balances of Governmental Funds to the Statement of Activities – Cash Basis

For The Fiscal Year Ended June 30, 2009

Net Change in Fund Balances - Total Governmental Funds \$ (681,633)

Amounts Reported for Governmental Activities in the Statement of Activities are different because:

Internal Service Funds are used by management to charge to costs of certain activities, such as insurance to individual funds. The net receipts (disbursements) of the Internal Service Funds are reported with Governmental Activities.

_____ -

Change in Net Assets of Governmental Activities \$ (681,633)

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Wickliffe City School District

Statement of Cash Receipts, Disbursements, and Changes in Fund Balances - Budget and Actual - Budget Basis – General Fund

For The Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Cash receipts:				
Taxes	\$ 12,563,560	\$ 10,897,808	\$ 12,110,643	\$ 1,212,835
Earnings on investments	139,932	-	190,138	190,138
Extracurricular activities	33,822	-	45,957	45,957
Classroom materials and fees	82,565	-	112,188	112,188
Tuition and fees	8,015	-	10,891	10,891
Miscellaneous	141,234	-	191,907	191,907
Intergovernmental	4,248,955	-	5,773,430	5,773,430
Total cash receipts	<u>17,218,083</u>	<u>10,897,808</u>	<u>18,435,154</u>	<u>7,537,346</u>
Cash disbursements:				
Instruction:				
Regular	7,799,954	7,616,887	7,074,357	542,530
Special	2,336,885	2,282,037	2,119,617	162,420
Vocational education	28,394	27,727	25,753	1,974
Other	800,189	781,408	725,751	55,657
Supporting services:				
Pupils	803,900	785,033	729,117	55,916
Instructional staff	900,088	878,962	816,357	62,605
Board of education	339,894	331,916	308,275	23,641
Administration	1,469,870	1,435,371	1,333,134	102,237
Fiscal services	674,352	658,525	611,620	46,905
Business	85,266	83,265	77,334	5,931
Operation and maintenance – plant	2,244,262	2,191,588	2,035,488	156,100
Pupil transportation	1,087,477	1,061,953	986,313	75,640
Central services	484,928	473,547	439,818	33,729
Operations of non-instructional services	95	87	86	1
Extracurricular activities:				
Academic subject oriented activities	17,901	17,481	16,236	1,245
Sports oriented	236,205	230,661	214,232	16,429
Co-curricular activities	25,873	25,266	23,466	1,800
Facilities acquisition and construction:				
Site improvement services	374,981	366,180	340,098	26,082
Architecture and engineering services	36,901	36,035	33,468	2,567
Building improvement services	2,080,143	2,031,321	1,886,636	144,685
Other facilities acquisition and construction services	<u>8,211</u>	<u>8,018</u>	<u>7,447</u>	<u>571</u>
Total cash disbursements	<u>21,835,769</u>	<u>21,323,268</u>	<u>19,804,603</u>	<u>1,518,665</u>
Excess cash receipts over (under) cash disbursements	<u>(4,617,685)</u>	<u>(10,425,460)</u>	<u>(1,369,449)</u>	<u>9,056,011</u>

Continued

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Wickliffe City School District

Statement of Cash Receipts, Disbursements, and Changes in Fund Balances - Budget and Actual - Budget Basis – General Fund

For The Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Other financing sources (uses):				
Proceeds from sale of capital assets	14,882	-	20,222	20,222
Advances – in	12,513	-	17,003	17,003
Refund of prior year disbursements	60,519	-	82,232	82,232
Transfers – out	(31,460)	(30,722)	(28,534)	2,188
Refund of prior year receipts	(487)	(481)	(445)	36
Total other financing sources (uses)	<u>55,967</u>	<u>(31,203)</u>	<u>90,478</u>	<u>121,681</u>
Net change in fund balance	(4,561,719)	(10,456,663)	(1,278,971)	9,177,692
Fund balance at beginning of year	9,290,147	9,290,147	9,290,147	-
Prior year encumbrances	<u>1,459,780</u>	<u>1,459,780</u>	<u>1,459,780</u>	-
Fund balance at end of year	\$ <u>6,188,208</u>	\$ <u>293,264</u>	\$ <u>9,470,956</u>	\$ <u>9,177,692</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Wickliffe City School District

Statement of Fund Net Assets – Cash Basis Proprietary Funds

June 30, 2009

	<u>Business-Type Activities</u> Enterprise Funds	<u>Governmental Activities</u> Internal Service Funds
Assets:		
Current assets:		
Cash and cash equivalents	\$ <u>127,800</u>	\$ <u>3,769</u>
Total assets	<u>127,800</u>	<u>3,769</u>
Net assets:		
Unrestricted	<u>127,800</u>	<u>3,769</u>
Total net assets	\$ <u><u>127,800</u></u>	\$ <u><u>3,769</u></u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Wickliffe City School District

Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets – Cash Basis Proprietary Funds

For the Fiscal Year Ended June 30, 2009

	<u>Business-Type Activities</u> Enterprise Funds	<u>Governmental Activities</u> Internal Service Funds
Operating cash receipts:		
Tuition and fees	\$ 5,155	\$ -
Charges for services	71,185	-
Miscellaneous	68,319	-
Intergovernmental	<u>95,001</u>	-
Total operating cash receipts	<u>239,660</u>	<u>-</u>
Operating cash disbursements:		
Salaries and wages	70,799	-
Fringe benefits	25,191	-
Capital Outlay	228	-
Materials and supplies	<u>144,040</u>	<u>-</u>
Total operating cash disbursements	<u>240,258</u>	<u>-</u>
Operating loss	<u>(598)</u>	<u>-</u>
Loss before transfers	(598)	-
Transfers – in	<u>1,723</u>	<u>-</u>
Change in net assets	1,125	-
Total net assets at beginning of year	<u>126,675</u>	<u>3,769</u>
Total net assets at end of year	\$ <u><u>127,800</u></u>	\$ <u><u>3,769</u></u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Wickliffe City School District

Statement of Fiduciary Assets and Liabilities – Cash Basis Fiduciary Funds

June 30, 2009

	<u>Trust Funds</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ <u>3,429</u>	\$ <u>42,268</u>
Liabilities:		
Due to students	<u>-</u>	\$ <u>42,268</u>
Net assets:		
Held in trust	\$ <u>3,429</u>	

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Wickliffe City School District

Statement of Changes in Fiduciary Net Assets – Cash Basis Fiduciary Funds

For the Fiscal Year Ended June 30, 2009

	<u>Trust Funds</u>
Deletions:	
Other operating expenses	\$ <u>154</u>
Total deletions	<u>154</u>
Change in net assets	(154)
Net assets at beginning of year	<u>3,583</u>
Net assets at end of year	\$ <u><u>3,429</u></u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

Wickliffe City School District

Notes To the Basic Financial Statements

For the Fiscal Year Ended June 30, 2009

Note 1: Description of the School District and Reporting Entity

The Wickliffe City School District (the “District”) is located in Lake County in Northern Ohio. The District was organized in accordance with Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms. The District provides educational services as authorized by state statute and/or federal guidelines.

The District serves an area of approximately four square miles consisting of the corporate limits of the City of Wickliffe. The District employs 94 support employees and 103 certified employees who provide services to 1,463 pupils and other community members. The District currently operates three school buildings.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For an Ohio School District, this includes general operations, food services, and student related activities of the District.

Non-public Schools – Within the District boundaries, there are various non-public schools. Current State legislature provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the treasurer of the District, as directed by the non-public school. These transactions are reflected as a governmental activity of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the District is obligated for the debt of the organization.

Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes for the organization. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the School District and are significant in amount to the District. The financial statements of the reporting entity include only those of the District (the primary government). The District has no component units.

The District is the primary government and constitutes the entire reporting entity. The Wickliffe Public Library located in the District, is a related organization to the District. The Library is not included on the District’s financial statements.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 1: Description of the School District and Reporting Entity (continued)

Reporting Entity (continued)

The District is associated with one jointly governed organization, one claims servicing pool, and one related organization. These organizations are the Ohio School's Council, Lake County Schools Council of Governments Health Care Benefits Program, and Wickliffe Public Library. These organizations are described in detail in Note 10, 11 and 12.

The District's management believes these financial statements present all activities for which the District is financially accountable.

Note 2: Summary of Significant Accounting Policies

These financial statements follow a cash basis of accounting. This is a basis of accounting other than generally accepted accounting principles. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

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

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements.

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct disbursements and program receipts for each program or function of the School District's governmental activities. Direct disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the School District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the School District.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from non-operating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the fund's principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as non-operating.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund

The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Other governmental funds of the District are used to account for the accumulation of resources for, and the repayment of, general long-term debt principal, interest and related costs; and for grants and other resources whose use is restricted to a particular purpose.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Proprietary Funds

Proprietary funds focus on the determination of operating income/loss, changes in net assets, financial position and cash flows and are classified as either enterprise or internal service.

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Fund

The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's private purpose trust fund accounts for programs that provide college scholarships to students after graduation. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for various student-managed activities.

C. Basis of Accounting

The School District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the School District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 2: Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on cash disbursements plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

E. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements. Individual fund integrity is maintained through District records.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit and repurchase agreements are reported at cost.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 2: Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents (continued)

The District complies with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. As a governmental entity other than an external investment pool in accordance with GASB 31, the District's investments are stated at fair value, except for interest-earning investment contracts, money market investments, and external investment pools (see Note 3).

In applying GASB Statement No. 31, the District utilized the following methods and assumptions as of June 30, 2009:

The portfolio was limited to nonparticipating interest-earning investment contracts and U.S. Government Securities.

Most of the District's investments are reported at fair value, which is the quoted market price as of the valuation date. Exceptions to the fair value requirement include nonparticipating interest-earning investment contracts and money market investments.

Nonparticipating investment contracts, such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost. Money market investments, including U.S. Treasury and agency obligations that had a remaining maturity of one year or less at the time of purchase by the District, are reported at amortized cost.

Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation will be recognized within the general fund to the extent its cash and investments balance exceeds the cumulative value of those investments subject to GASB Statement No. 31.

The gain/loss resulting from valuation will be reported within the investment earnings account on the Statement of Activities.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2009 amounted to \$190,138, which includes \$3,429 assigned from other School District funds.

Based upon the reporting requirements of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District does not sponsor an external investment pool.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 2: Summary of Significant Accounting Policies (continued)

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent amounts required by State statute to be set aside for the acquisition and construction of capital improvements.

G. Inventory and Prepaid Items

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets on the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

I. Interfund Receivables/Payables

The District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statement.

J. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursements for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The District's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 2: Summary of Significant Accounting Policies (continued)

L. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's basis of accounting.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. There are no restricted assets due to enabling legislation. Net assets restricted for other purposes include resources restricted for federal and state grants restricted to cash disbursements for specified purposes. The School District's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves

Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

O. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements.

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During the fiscal year, the District had neither special items nor extraordinary items.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 3: Deposits and Investments

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio)
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 3: Deposits and Investments (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held until maturity. Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand

At fiscal year-end, the District had \$825 in undeposited cash on hand which is included on the basic financial statements of the District as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

Custodial Credit Risk is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, the District had a book balance of \$5,332,728. Of the District's bank balance of \$5,698,577, \$4,405,738 was exposed to custodial risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name. Although the securities held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

The District has no deposit policy for custodial risk beyond the requirements of the State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District 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.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 3: Deposits and Investments (continued)

Investments

Investments are reported as fair value. As of June 30, 2009, the District had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>	
		<u>6 months or less</u>	<u>More than 6 months</u>
Federal National Mortgage Association Bonds	\$ 1,002,483	\$ 501,250	\$ 501,233
Federal Home Loan Bank	2,584,372	719,967	1,864,405
Federal Home Loan Mortgage Corporation	750,084	-	750,084
Federal Farm Credit Bank	1,088,670	-	1,088,670
Municipal Bonds	138,363	-	138,363
Sweep Accounts	<u>223,529</u>	<u>223,529</u>	<u>-</u>
Total Portfolio	\$ <u>5,787,502</u>	\$ <u>1,444,746</u>	\$ <u>4,342,755</u>

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District's investment policy addresses interest rate risk requiring that the District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operation funds primarily in short-term investments. The District investment policy also limits security purchases to those that mature five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than five years.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the District must meet a set of prescribed standards and be periodically reviewed.

Credit Risk is addressed by the District's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. Investments of the District are registered and carry a rating ranging from AAA to AA- by Standard & Poor's.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 3: Deposits and Investments (continued)

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The District's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations.

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Federal National Mortgage Association Bonds	17.32%
Federal Home Loan bank	44.65
Federal Home Loan Mortgage Corporation	12.96
Federal Farm Credit Bank	18.81
Municipal Bonds	2.39
Sweep Accounts	3.86

Note 4: Property Taxes

Property taxes are levied and assessed on a calendar year basis while the school district fiscal year runs from July through June. First half tax collections are received by the school district in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Property tax receipts received during calendar 2009 for real and public utility property taxes represents collections of calendar 2008 taxes. Property tax payments received during calendar 2009 for tangible personal property (other than public utility property) are for calendar 2009 taxes.

Real property tax receipts received in calendar year 2009 represent the collection of calendar year 2008 taxes. Real property taxes received in calendar year 2009 are levied after April 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after April 1, 2009 and are collected in 2010 with real property taxes.

Tangible personal property tax revenue received during calendar 2009 (other than public utility property) represents collection of 2009 taxes. Tangible personal property taxes received in calendar year 2009 were levied after April 1, 2008, on the value as of December 31, 2008. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax was being phased out – the assessment percentage for all property for 2009 is zero, except for telecommunication corporations where payments are phased out in 2009 and 2010. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 4: Property Taxes (continued)

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2008 Second-Half Collections		2009 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 339,590,260	93.89%	\$ 339,644,450	98.04%
Public Utility Personal	6,082,380	1.68%	6,286,570	1.81%
Tangible Personal Property	16,024,163	4.43%	514,760	0.15%
	<u>\$ 361,696,803</u>	<u>100.00%</u>	<u>\$ 346,445,780</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$ 67.31		\$ 67.31	

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including Wickliffe City School District. The County Auditor periodically advances to the District its portion of the taxes. Second-half real property tax payments collected by the County by June 30, 2009, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Note 5: Interfund Advances and Transfers

A. Advances

Interfund advances consisted of the following at June 30, 2009, as reported on the fund statement. An advance from non-major governmental to the general fund in the amount of \$17,003 was to repay a prior year advance. The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

B. Transfers

Interfund transfers for the year ended June 30, 2009, consisted of the following, as reported on the fund statements.

Transfer from	Transfer to		
	Non-major Governmental	Non-major Business Type	Total
General fund	\$ <u>26,811</u>	\$ <u>1,723</u>	\$ <u>28,534</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 6: Risk Management

A. Property and Liability

The District 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 nature disasters. During fiscal year 2009, the District contracted with the Ohio Casualty, a member of Liberty Mutual, for property, fleet, liability, inland marine, crime, general liability, errors and omissions and sexual misconduct and molestation liability coverage. Additionally, the District has an umbrella policy. Coverage provided with Indiana Insurance are as follows:

	<u>Coverage</u>
Buildings and Contents – replacement costs	\$ 46,219,146
Inland Marine	75,000
Crime Insurances	40,000
Automobile Liability	1,000,000
Uninsured Motorists	500,000
General Liability	
Per Occurrence	1,000,000
Total per year	2,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a reduction in insurance coverage from the prior year.

B. Employee Medical Coverage

The District has elected to provide medical coverage through premium payment to the Lake County Council of Governments Health Care Benefits Program. The District paid \$1,857,535 in premiums during fiscal year 2009.

C. Worker's Compensation

For fiscal year 2009, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Plan. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the Plan.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 7: Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor 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 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Forms and Publications*.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$352,789, \$327,887, and \$286,348, respectively; equal to the required contributions the year.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. 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 43215-3371 or by calling toll free (614) 227-4090 or by visiting the STRS Ohio web site at www.strsoh.org.

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and the employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 7: Defined Benefit Pension Plans (continued)

B. State Teachers Retirement System (continued)

DB plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” retirement allowance is based on the years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2 percent multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5 percent. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6 percent for 32 years, 2.7 percent for 33 years and so on) until 100 percent of final average salary is reached. For members with 35 or more years of Ohio contributing service the first 30 years will be calculated at 2.5 percent instead of 2.2 percent. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC plan benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC plan, all member contributions and employer contributions at a rate of 10.5 percent are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. 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. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

In the Combined plan, member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefits are determined by multiplying 1 percent of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A DB or Combined Plan member with five or more years of 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. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined plans. Various other benefits are available to members’ beneficiaries.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 7: Defined Benefit Pension Plans (continued)

B. State Teachers Retirement System (continued)

For the fiscal years ended June 30, 2009, 2008 and 2007, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation 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 District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2009, 2008, and 2007, were \$1,031,143, \$1,008,534, and \$948,034, respectively; 100 percent has been contributed for fiscal years 2008 and 2007, while 95.82 percent has been contributed for 2009.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2009, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 8: Postemployment Benefits

Ohio law authorizes STRS to offer a cost-sharing, multiple employer health care plan to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed

Pursuant to 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

Under Ohio law funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care. For the fiscal years ended June 30, 2009, 2008 and 2007 the School District's contributions to post-employment health care were \$73,653, \$72,038 and \$67,717, respectively. The 14% employer contribution rate is the maximum rate established under Ohio law.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 8: Postemployment Benefits (continued)

SERS administers two post-employment benefit plans, the Medicare Part B Plan and the Health Care Plan. Active members do not make contributions to the Postemployment benefit plans. The Medicare Part B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premiums or the current premium. The Medicare Part B premium of calendar year 2008 (most recent information available) was \$96.40. SERS' reimbursement to retirees was \$45.50. The Retirement Board, with the advice of actuary, allocates a portion of the current employer contribution rate to the Medicare Part B Fund. For fiscal year 2009, the actuarially required allocation was .75%. For the fiscal years ended June 30, 2009, 2008 and 2007 the School District's contributions to Medicare Part B were \$16,631, \$22,296 and \$19,472 respectively.

The Health Care Plan is funded through employer contributions as set forth in ORC 3309.375 and 3309.69. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription plans, respectively.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year after allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employers' 14 percent contribution to the Health Care Fund. At June 30, 2009, the health care allocation was 4.16 percent. The actuarially required contribution (ARC), as of June 30, 2008 annual valuation, was 13.41 percent of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. For the fiscal years ended June 30, 2009, 2008 and 2007 the School District's contributions to post-employment health care were \$144,172, \$108,858 and \$101,034, respectively.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS covered payroll for the health care surcharge. For fiscal year 2009, the minimum compensation level was established at \$35,800.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 9: Leases

The District has entered into a lease agreement with T Mobile Central, LLC (T Mobile) where T Mobile will use the District's property to access utilities commencing June 27, 2007 for 5 years with five successive five year options to renew. Total revenue from this lease in 2009 was \$21,600. The base rent is \$1,800 per month, which is to increase by 3% annually on the anniversary of the commencement date.

Future minimum rents to be received from this lease are as follows:

2010	\$	22,248
2011		22,915
2012		23,603
2013		<u>24,311</u>
	\$	<u>93,077</u>

Note 10: Jointly Governed Organizations and Public Entity Risk Pool

A. Jointly Governed Organizations

Ohio Schools' Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization among 126 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September through June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2009, the School District paid \$860 to the Council. Financial Information can be obtained by contacting Dr. David A. Cottrell, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the natural gas program. This program allows the School District to purchase natural gas at reduced rates. Energy USA was selected as the new natural gas supplier and program manager. The new program runs from October 1, 2008 to September 30, 2010. There are currently 144 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted, and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 10: Jointly Governed Organizations and Public Entity Risk Pool (continued)

A. Jointly Governed Organizations (continued)

Ohio Schools' Council Association (continued)

The School District also participates in the Council's electric purchase program. The Council provided 238 school districts and 11 MR/DD boards in the First Energy territory (Cleveland Electric Illuminating, Ohio Edison, Toledo Edison) the ability to purchase electricity at the reduced rates. Each month, the Council invoices participants based on estimated payments which are compared to their usage for the year (July to June). Refund checks are issued to districts that consumed less than their projected usage of electrical energy and districts that over-consumed are invoiced. With the end of the program on December 31, 2008, the School District purchased its electricity from the local are utility, Cleveland Electric Illuminating. In late October 2009, the School District joined a new Ohio Schools Council consortium electricity purchasing program which provides for additional discounts above what the School District would receive otherwise.

Note 11: Claims Servicing Pool

The District participates in the Lake County Council of Governments Health Care Benefits (HCBP) Self Insurance Program, a claims servicing pool comprised of nine Lake County school districts. Each school district has a representative on the assembly (usually the superintendent or designee). Each member pays an administrative fee to the pool. The plan's business and affairs are conducted by a five member Board of Directors elected by the HCBP's assembly. The assembly elects officers for one year terms to serve on the Board of Directors. Financial information can be obtained from the Lake County Educational Service Center at 30 South Park Place, Suite 30, Painesville, Ohio 44077.

Note 12: Related Organizations

Wickliffe Public Library

The Wickliffe Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the District's Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Wickliffe Public Library, Rick Zalecky, Clerk/Treasurer, 1713 Lincoln Road, Wickliffe, Ohio 44092.

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 13: Contingencies

A. Grants

The District receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement 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. However in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2009.

B. Litigation

As of June 30, 2009, the District is a defendant in legal proceedings to matters which are incidental to performing routine School District functions. Based on the status of these legal proceedings, it is the opinion of management and legal counsel that the ultimate resolution of such may result in the School District being required to pay damages to a former employee.

Note 14: Set-Aside Calculations

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end. These amounts must carry forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

	Textbooks Instructional Materials Reserve	Capital Improvements Reserve
Set-Aside Reserve Balance as of June 30, 2008	\$ (1,036,115)	\$ -
Current Year Set-Aside Requirements	232,229	232,229
Qualifying Disbursements	<u>(256,536)</u>	<u>(2,331,441)</u>
Total	<u>(1,060,422)</u>	<u>(2,099,212)</u>
Set-Aside Reserve Balance as of June 30, 2009	\$ <u>(1,060,422)</u>	\$ <u>-</u>

Wickliffe City School District

Notes To the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2009

Note 14: Set-Aside Calculations (continued)

The School district had qualifying cash disbursements during the fiscal year that reduced the textbooks set aside amount below zero. This amount may be used to reduce the set aside requirement in future fiscal years. Although the School District had qualifying offsets and disbursements during the fiscal year that reduced the set aside amount below zero for the capital improvements set aside, this amount may not be used to reduce the set aside requirements of future years. This negative balance is therefore not presented as being carried forward to future fiscal years.

Note 15: Budgetary Basis of Accounting and Compliance

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursement, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances, which are treated as cash disbursement (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$742,756 for the General Fund.

**WICKLIFFE CITY SCHOOL DISTRICT
LAKE COUNTY
FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Receipts	Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Ohio Department of Education:</i>			
Nutrition Cluster:			
National School Lunch Program	10.555	\$92,775	\$92,775
Total Nutrition Cluster			
Total U.S. Department of Agriculture		<u>92,775</u>	<u>92,775</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed Through Ohio Department of Education:</i>			
Special Education Cluster:			
Special Education: Grants to States	84.027	366,216	378,762
Special Education: Preschool Grants	84.173	<u>12,344</u>	<u>12,860</u>
Total Special Education Cluster		<u>378,560</u>	<u>391,622</u>
Title I Grants to Local Educational Agencies	84.010	352,960	313,136
Safe and Drug-Free Schools and Communities State Grants	84.186	1,892	5,961
Innovative Education Program Strategies	84.298	5,435	1,999
English Language Acquisition Grants	84.365	764	-
Education Technology State Grants	84.318	3,103	5,212
Improving Teacher Quality State Grants	84.367	<u>72,897</u>	<u>75,777</u>
Total U.S. Department of Education		<u>815,611</u>	<u>793,707</u>
Total Federal Assistance		<u><u>\$908,386</u></u>	<u><u>\$886,482</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**WICKLIFFE CITY SCHOOL DISTRICT
LAKE COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2009**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

CFDA - Catalog of Federal Domestic Assistance.



Mary Taylor, CPA

Auditor of State

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

Wickliffe City School District
Lake County
2221 Rockefeller Road
Wickliffe, Ohio 44092

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of the Wickliffe City School District, Lake County, Ohio, (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 19, 2010, wherein we noted the District utilized a basis of accounting other than that prescribed by Ohio Administrative Code § 117-2-03(B). 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 District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District'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 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 District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be 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.

We noted certain matters that we reported to the District's management in a separate letter dated February 19, 2010.

Compliance and Other Matters

As part of reasonably assuring whether the District'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 an instance of noncompliance that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-001.

We also noted a certain noncompliance or another matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated February 19, 2010.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

February 19, 2010



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Wickliffe City School District
Lake County
2221 Rockefeller Road
Wickliffe, Ohio 44092

To the Board of Education:

Compliance

We have audited the compliance of the Wickliffe City School District, Lake County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal programs for the year ended June 30, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Wickliffe City School District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

February 19, 2010

**WICKLIFFE CITY SCHOOL DISTRICT
LAKE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Title I (84.010)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**WICKLIFFE CITY SCHOOL DISTRICT
LAKE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2009
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2009-001

Noncompliance Finding

Annual Financial Report

Ohio Revised Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-2-03 further clarifies the requirements of Ohio Revised Code Section 117.38.

Ohio Administrative Code Section 117-2-03(B) requires the District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, the District prepared its financial statements in accordance with another comprehensive basis of accounting. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Revised Code Section 117.38, the District may be fined and subjected to various other administrative remedies for its failure to file the required financial report.

We recommend the District take the necessary steps to ensure the annual financial report is prepared on a generally accepted accounting principles basis.

Official's Response:

Over the last several fiscal years the Board has reduced programs and services to students as a result of failed levy attempts that eventually were successful but at a tremendously reduced rate of revenue (10 mills vs 7 mills) to the District. Through FY2006 the Board authorized filing cash statements. Effective with FY2007 the Board reviewed the costs and consequences of filing cash vs OCBOA vs GAAP. The Board wanted an unqualified opinion for the District and therefore directed the treasurer to prepare OCBOA statements effective FY2007 going forward thereby saving the district the additional cost of GAAP based statements. The Board of Education is of the opinion that the funds we have today are all we will have from the electorate for the next 5 – 7 years therefore reductions must be achieved.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.

**WICKLIFFE CITY SCHOOL DISTRICT
LAKE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Ohio Revised Code 117.38 – The District does not file GAAP financial statements	No	Not Corrected, Finding is repeated, See 2009-001

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Wickliffe City School District
Lake County
2221 Rockefeller Road
Wickliffe, Ohio 44092

To the Board of Education:

Ohio Rev. 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 Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether the Wickliffe City School District, Lake County, Ohio, (the District) 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 October 20, 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 prohibited 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 administration semiannually provide the president of the district 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, 20 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.



Mary Taylor, CPA
Auditor of State

February 19, 2010



Mary Taylor, CPA
Auditor of State

WICKLIFFE CITY SCHOOL DISTRICT
LAKE 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 23, 2010