



Mary Taylor, CPA
Auditor of State

**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	18
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) – General Fund.....	19
Statement of Fiduciary Net Assets – Fiduciary Funds	20
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	21
Notes to the Basic Financial Statements	23
Schedule of Federal Awards Receipts and Expenditures.....	57
Notes to the Schedule of Federal Awards Receipts and Expenditures	58
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	59
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	61
Schedule of Findings - OMB Circular A-133 § .505.....	63

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Wheelersburg Local School District
Scioto County
P.O. Box 340
Wheelersburg, Ohio 45694

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wheelersburg Local School District, Scioto County, Ohio (the School District), as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Wheelersburg Local School District, Scioto County, Ohio, as of June 30, 2008, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2009, on our consideration of the School 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 accounting principles generally accepted in the United States of America 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.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701-2157
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110
www.auditor.state.oh.us

We conducted our audit to opine on the financial statements that collectively comprise the School District's basic financial statements. The Schedule of Federal Awards Receipts and Expenditures is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the Schedule of Federal Awards Receipts and Expenditures to the auditing procedures applied in the audit of the basic 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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 2, 2009

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

The discussion and analysis of the Wheelersburg Local School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- In total, net assets of governmental activities increased \$2,726,474, which represented a significant increase from the prior fiscal year.
- General revenues accounted for \$12,771,836 of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$3,795,840 of total revenues of \$16,567,676.
- The School District had \$13,841,202 in expenses related to governmental activities; only \$3,795,840 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues (primarily grants and entitlements and property taxes) of \$12,771,836 were more than adequate to provide for these programs.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other nonmajor funds presented in total in one column. The most significant funds for the School District are the General Fund and the Construction Fund.

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Reporting the School District as a Whole

One of the most important questions asked about the School District is “How did we do financially during fiscal year 2008?” The Statement of Net Assets and the Statement of Activities, which appear first in the School District’s financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net assets and changes in those assets. The change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District’s property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District has only one kind of activity:

- Governmental Activities – All of the School District’s educational programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on page 10. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds.

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using the accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds - The School District's fiduciary funds are two private purpose trust funds and one agency fund. All of the School District's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds use the accrual basis of accounting.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Table 1 provides a summary of the School District's net assets for fiscal years 2008 and 2007:

Table 1 Net Assets			
	Governmental Activities		Increase
	2008	2007	(Decrease)
<u>Assets:</u>			
Current Assets	\$14,199,167	\$30,356,403	(\$16,157,236)
Capital Assets, Net	37,544,082	19,094,939	18,449,143
<i>Total Assets</i>	51,743,249	49,451,342	2,291,907
<u>Liabilities:</u>			
Other Liabilities	7,026,996	7,859,674	(832,678)
Long-Term Liabilities	10,839,625	10,441,514	398,111
<i>Total Liabilities</i>	17,866,621	18,301,188	(434,567)
<u>Net Assets:</u>			
Invested in Capital Assets, Net of Related Debt	30,229,932	18,637,534	11,592,398
Restricted	3,045,290	12,112,838	(9,067,548)
Unrestricted	601,406	399,782	201,624
<i>Total Net Assets</i>	\$33,876,628	\$31,150,154	\$2,726,474

Overall, a significant increase of \$2,291,907 occurred within Total Assets when compared to the prior fiscal year. However, a significant decrease of \$16,157,236 occurred within Current Assets of governmental activities when compared to the prior fiscal year. The only asset account which had a real effect on this decrease was Investments. The primary factor for the decrease is the result of the School District utilizing a large portion of its monies related to its construction project instead of having the monies invested during the fiscal year. Capital Assets, Net demonstrated a significant increase due to the continued work of the construction of the School District's new instructional buildings.

Total Liabilities had a decrease of \$434,567 for fiscal year 2008 when compared to the prior fiscal year. This is primarily the result of a decrease in Contracts Payable relating to the construction of the School District's new buildings. In addition, an increase occurred within Long-Term Liabilities due to the School District entering into a capital lease-purchase agreement during the fiscal year.

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Invested in Capital Assets, Net of Related Debt of governmental activities increased \$11,592,398. This is due primarily to construction in progress additions related to the construction of the School District's new buildings funded with a Ohio School Facilities Grant from the State.

Restricted Net Assets, when viewed alone, did experience a significant decrease of \$9,067,548 when compared to the prior fiscal year. When examining the individual components of Restricted Net Assets, those restricted for debt service increased \$88,845 due to the School District receiving greater property tax revenues for its bond levy than in the prior fiscal year. Restricted Net Assets for Capital Projects decreased \$9,336,488. This is due to the significant decrease in the investments asset category relating to the utilizing of grant resources for the continued construction of its new buildings. Restricted Net Assets for Other Purposes increased \$180,095 due to the School District receiving donations for athletic stadium renovations, receiving monies to operate various grant programs including the Public Preschool program, and receiving property tax revenues for the maintenance of its facilities.

On the other hand, Unrestricted Net Assets had an increase of \$201,624. This is related to the School District receiving greater property tax revenues than in the prior fiscal year.

Table 2 shows the changes in net assets for fiscal years 2008 and 2007.

Table 2
Change in Net Assets

	Governmental Activities		Increase/ (Decrease)
	2008	2007	
<u>Revenues:</u>			
Program Revenues:			
Charges for Services and Sales	\$1,843,303	\$1,785,835	\$57,468
Operating Grants, Contributions and Interest	1,875,430	1,647,876	227,554
Capital Grants and Contributions	77,107	95,437	(18,330)
<i>Total Program Revenues</i>	<u>3,795,840</u>	<u>3,529,148</u>	<u>266,692</u>
General Revenues:			
Property Taxes	3,386,038	3,204,657	181,381
Grants and Entitlements not			
Restricted to Specific Programs	8,578,663	6,707,842	1,870,821
Contributions and Donations	8,511	3,473	5,038
Investment Earnings	741,115	1,092,654	(351,539)
Miscellaneous	57,509	24,341	33,168
<i>Total General Revenues</i>	<u>12,771,836</u>	<u>11,032,967</u>	<u>1,738,869</u>
<i>Total Revenues</i>	<u>\$16,567,676</u>	<u>\$14,562,115</u>	<u>\$2,005,561</u>

(continued)

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Table 2
Change in Net Assets
(continued)

	Governmental Activities		Increase/ (Decrease)
	2008	2007	
<u>Program Expenses:</u>			
Instruction:			
Regular	\$6,580,073	\$6,159,413	\$420,660
Special	1,253,578	1,026,897	226,681
Vocational	10,000	3,524	6,476
Student Intervention	61,966	107,632	(\$45,666)
Support Services:			
Pupils	623,155	581,274	41,881
Instructional Staff	701,729	751,487	(49,758)
Board of Education	64,329	73,949	(9,620)
Administration	872,736	845,537	27,199
Fiscal	371,395	322,835	48,560
Operation and Maintenance of Plant	1,093,147	984,282	108,865
Pupil Transportation	522,559	516,119	6,440
Central	113,258	108,075	5,183
Operation of Non-Instructional Services:			
Food Service Operations	586,368	566,578	19,790
Extracurricular Activities	512,372	492,183	20,189
Interest and Fiscal Charges	431,037	431,283	(246)
Intergovernmental	43,500	38,500	5,000
<i>Total Expenses</i>	<u>13,841,202</u>	<u>13,009,568</u>	<u>831,634</u>
<i>Change in Net Assets</i>	2,726,474	1,552,547	1,173,927
<i>Net Assets at Beginning of Year</i>	31,150,154	29,597,607	1,552,547
<i>Net Assets at End of Year</i>	<u><u>\$33,876,628</u></u>	<u><u>\$31,150,154</u></u>	<u><u>\$2,726,474</u></u>

Program revenues, which are primarily represented by tuition and fees, charges for extracurricular activities, food service sales, and restricted intergovernmental revenues, were \$3,795,840 of total revenues for fiscal year 2008 and varied significantly from fiscal year 2007. The primary reason for this increase was related to the Public Preschool program monies received by the School District to operate such program for the first time during fiscal year 2008.

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

As stated previously, general revenues represent \$12,771,836 of the School District's total revenues, and increased significantly when compared to the prior fiscal year. Grants and entitlements not restricted to specific programs increased \$1,870,821 due to the School District receiving an additional award from the Ohio School Facilities Commission for the construction of its new buildings. Property taxes made up \$3,386,038 of the balance of the School District's general revenues. Investment earnings decreased \$351,539 when compared to the prior fiscal year as a result of the School District utilizing a large portion of its monies related to its construction project instead of having the monies invested during the fiscal year. Other revenue sources, such as contributions and donations, are insignificant and somewhat unpredictable revenue sources.

The major program expense for governmental activities, as expected, is for instruction, which accounts for \$7,905,617 of all governmental expenses. The instruction category, however, does not include all activities associated with educating students as the pupils, instructional staff, and pupil transportation costs have a significant role in delivering education. However, a comparison to the prior fiscal year demonstrates insignificant changes in most areas of expenses except for regular instruction and special instruction. These two expenses increased \$420,660 and \$226,681, respectively, when compared to the prior fiscal year as a result of employees receiving a four percent wage increase for fiscal year 2008, incurring increased costs in special programs due to more students being placed in a cooperative program, and choosing not to capitalize various expenses related to the construction project. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements.

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Table 3
Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2008	2008	2007	2007
Program Expenses				
Instruction:				
Regular	\$6,580,073	\$5,001,687	\$6,159,413	\$4,753,805
Special	1,253,578	384,535	1,026,897	232,120
Vocational	10,000	5,945	3,524	1,858
Student Intervention	61,966	61,966	107,632	107,632
Support Services:				
Pupils	623,155	440,479	581,274	423,620
Instructional Staff	701,729	527,562	751,487	562,417
Board of Education	64,329	64,329	73,949	73,949
Administration	872,736	872,736	845,537	845,537
Fiscal	371,395	371,395	322,835	322,835
Operation and Maintenance of Plant	1,093,147	1,082,016	984,282	981,322
Pupil Transportation	522,559	500,562	516,119	494,536
Central	113,258	113,258	108,075	108,075
Operation of Non-Instructional Services:				
Food Service Operations	586,368	38,928	566,578	20,994
Extracurricular Activities	512,372	148,927	492,183	120,437
Interest and Fiscal Charges	431,037	431,037	431,283	431,283
Intergovernmental	43,500	0	38,500	0
Total	\$13,841,202	\$10,045,362	\$13,009,568	\$9,480,420

The School District's Funds

Information about the School District's most significant funds starts on page 15. Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$17,724,241 and expenditures of \$32,469,072. The net change in fund balance for the fiscal year was most significant in the Construction Fund with a decrease of \$14,667,957. This was the result of the School District utilizing the Ohio School Facilities Commission grant monies it had received during the fiscal year.

General Fund - Budget Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

During fiscal year 2008, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A review of the budgetary comparison statement for the General Fund reflects an increase of \$383,661 between the original budget and final budget revenues. This was the result of the Property Taxes revenue source being conservatively estimated at the beginning of the fiscal year. There was no change for revenues from the final budget to actual revenues received.

The decrease in expenditures from the original to the final budget was \$30,005 and an insignificant decrease. There was no change for expenditures from the final budget to actual expenditures for the fiscal year.

Actual General Fund revenues and other financing sources were lower than expenditures and other financing uses by \$505,649.

The School District's ending unobligated cash balance was \$47,642 under the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the School District had \$37,544,082 invested in capital assets (net of accumulated depreciation), an increase of \$18,449,143. Additions to capital assets included construction in progress related to the construction of new buildings, an all weather track resurface, a storage building, various maintenance equipment, routine computer and computer related purchases, and other educational equipment. Disposals for the fiscal year included various maintenance equipment and routine computer and computer related items. For further information regarding the School District's capital assets, refer to Note 8 to the basic financial statements.

Debt

At June 30, 2008, the School District had outstanding general obligation bonds in the amount of \$9,618,684, for the purpose of retiring the Classroom Facilities Bond Anticipation Notes issued December 28, 2004. The Classroom Facilities Bond Anticipation Notes were issued for the purpose of constructing a single campus facility. The bonds were issued for a twenty-seven year period, with final maturity in fiscal year 2033. The School District also had an outstanding lease-purchase agreement for constructing its new facility in the amount of \$582,000. The School District's long-term obligations also include compensated absences. For further information regarding the School District's long-term obligations, refer to Note 14 to the basic financial statements.

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. George Grice, Treasurer, at Wheelersburg Local School District, P.O. Box 340, Wheelersburg, Ohio 45694, or via e-mail at georgeg@scoca-k12.org.

Wheelersburg Local School District

Statement of Net Assets

June 30, 2008

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$3,786,947
Cash and Cash Equivalents	27,837
Cash and Cash Equivalents with Escrow Agent	569,577
Investments	4,146,232
Investments with Fiscal Agent	577,217
Materials and Supplies Inventory	18,494
Inventory Held for Resale	7,047
Accrued Interest Receivable	53,452
Intergovernmental Receivable	1,487,180
Prepaid Items	16,631
Property Taxes Receivable	3,367,506
Deferred Charges	141,047
Capital Assets:	
Land	931,568
Construction in Progress	33,823,580
Depreciable Capital Assets, Net	<u>2,788,934</u>
<i>Total Assets</i>	<u>51,743,249</u>
<u>Liabilities:</u>	
Accounts Payable	150,924
Accrued Wages and Benefits Payable	977,822
Contracts Payable	1,915,671
Retainage Payable	573,206
Intergovernmental Payable	332,048
Accrued Interest Payable	35,609
Deferred Revenue	3,041,716
Long-Term Liabilities:	
Due Within One Year	359,331
Due In More Than One Year	<u>10,480,294</u>
<i>Total Liabilities</i>	<u>17,866,621</u>
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	30,229,932
Restricted for:	
Debt Service	157,656
Capital Projects	2,136,455
Other Purposes	751,179
Unrestricted	<u>601,406</u>
<i>Total Net Assets</i>	<u><u>\$33,876,628</u></u>

See accompanying notes to the basic financial statements

Wheelersburg Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest		Capital Grants and Contributions
<u>Governmental Activities:</u>					
Instruction:					
Regular	\$6,580,073	\$1,260,079	\$318,307	\$0	(\$5,001,687)
Special	1,253,578	0	869,043	0	(384,535)
Vocational	10,000	0	4,055	0	(5,945)
Student Intervention	61,966	0	0	0	(61,966)
Support Services:					
Pupils	623,155	26,435	156,241	0	(440,479)
Instructional Staff	701,729	35,406	138,761	0	(527,562)
Board of Education	64,329	0	0	0	(64,329)
Administration	872,736	0	0	0	(872,736)
Fiscal	371,395	0	0	0	(371,395)
Operation and Maintenance of Plant	1,093,147	0	3,707	7,424	(1,082,016)
Pupil Transportation	522,559	0	16,683	5,314	(500,562)
Central	113,258	0	0	0	(113,258)
Operation of Non-Instructional Services:					
Food Service Operations	586,368	249,705	297,735	0	(38,928)
Extracurricular Activities	512,372	271,678	27,398	64,369	(148,927)
Interest and Fiscal Charges	431,037	0	0	0	(431,037)
Intergovernmental	43,500	0	43,500	0	0
<i>Total Governmental Activities</i>	<u>\$13,841,202</u>	<u>\$1,843,303</u>	<u>\$1,875,430</u>	<u>\$77,107</u>	<u>(10,045,362)</u>

General Revenues:

Property Taxes Levied for:	
General Purposes	2,614,176
Debt Service	664,089
Capital Outlay	52,307
Facility Maintenance	55,466
Grants and Entitlements not Restricted to Specific Programs:	
Capital	1,638,712
Operating	6,939,951
Contributions and Donations	8,511
Investment Earnings	741,115
Miscellaneous	57,509
<i>Total General Revenues</i>	<u>12,771,836</u>
<i>Change in Net Assets</i>	<u>2,726,474</u>
<i>Net Assets at Beginning of Year</i>	<u>31,150,154</u>
<i>Net Assets at End of Year</i>	<u>\$33,876,628</u>

See accompanying notes to the basic financial statements

Wheelersburg Local School District

Balance Sheet

Governmental Funds

June 30, 2008

	General	Construction	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,577,098	\$987,969	\$1,207,858	\$3,772,925
Cash and Cash Equivalents	0	27,837	0	27,837
Investments	0	4,146,232	0	4,146,232
Receivables:				
Property Taxes	2,579,920	0	787,586	3,367,506
Intergovernmental	0	1,121,011	366,169	1,487,180
Accrued Interest	24,260	28,036	1,156	53,452
Interfund	625,634	0	0	625,634
Prepaid Items	16,631	0	0	16,631
Materials and Supplies Inventory	18,494	0	0	18,494
Inventory Held for Resale	0	0	7,047	7,047
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	14,022	0	0	14,022
Cash and Cash Equivalents with Escrow Agent	0	569,577	0	569,577
Investments with Fiscal Agent	0	577,217	0	577,217
Total Assets	\$4,856,059	\$7,457,879	\$2,369,816	\$14,683,754
<u>Liabilities:</u>				
Accounts Payable	\$69,779	\$33,182	\$47,963	\$150,924
Accrued Wages and Benefits Payable	833,854	0	143,968	977,822
Contracts Payable	0	1,915,671	0	1,915,671
Retainage Payable from Restricted Assets	0	569,577	0	569,577
Retainage Payable	3,629	0	0	3,629
Intergovernmental Payable	290,582	89	41,377	332,048
Interfund Payable	0	575,797	49,837	625,634
Deferred Revenue	2,494,177	1,077,387	954,236	4,525,800
Total Liabilities	3,692,021	4,171,703	1,237,381	9,101,105
<u>Fund Balances:</u>				
Reserved for Encumbrances	143,942	3,708,905	214,684	4,067,531
Reserved for Property Taxes	94,063	0	29,753	123,816
Reserved for Bus Purchases	14,022	0	0	14,022
Unreserved:				
Designated for Future Severance Payments	163,823	0	0	163,823
Unreserved, Undesignated, (Deficit) Reported in:				
General Fund	748,188	0	0	748,188
Special Revenue Funds	0	0	281,298	281,298
Debt Service Fund	0	0	398,045	398,045
Capital Projects Funds	0	(422,729)	208,655	(214,074)
Total Fund Balances	1,164,038	3,286,176	1,132,435	5,582,649
Total Liabilities and Fund Balances	\$4,856,059	\$7,457,879	\$2,369,816	\$14,683,754

See accompanying notes to the basic financial statements

Wheelersburg Local School District
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2008

Total Governmental Fund Balances \$5,582,649

***Amounts reported for governmental activities in the
 Statement of Net Assets are different because:***

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	931,568	
Construction in progress	33,823,580	
Other capital assets	9,127,796	
Accumulated depreciation	<u>(6,338,862)</u>	
Total capital assets		37,544,082

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Delinquent property taxes	201,974	
Intergovernmental	1,262,710	
Investment earnings	<u>19,400</u>	
		1,484,084

Bond issuance costs reported as an expenditure in governmental funds are allocated as an expense over the life of the debt on a full accrual basis. 141,047

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	(9,350,000)	
Bond premium	(268,684)	
Accrued interest on bonds	(35,609)	
Capital leases	(582,000)	
Compensated absences	<u>(638,941)</u>	
Total liabilities		<u>(10,875,234)</u>

Net Assets of Governmental Activities \$33,876,628

See accompanying notes to the basic financial statements

Wheelersburg Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	Construction	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$2,526,233	\$0	\$759,442	\$3,285,675
Intergovernmental	6,761,476	2,882,710	2,045,526	11,689,712
Investment Earnings	104,527	611,560	43,132	759,219
Increase (Decrease) in Fair Value of Investments	12,080	(30,959)	0	(18,879)
Tuition and Fees	1,260,079	0	0	1,260,079
Extracurricular Activities	0	0	298,113	298,113
Customer Sales and Service	0	0	285,111	285,111
Contributions and Donations	750	0	106,952	107,702
Miscellaneous	57,509	0	0	57,509
Total Revenues	10,722,654	3,463,311	3,538,276	17,724,241
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,757,078	0	650,290	6,407,368
Special	611,270	0	576,943	1,188,213
Vocational	10,000	0	0	10,000
Student Intervention	3,803	0	57,920	61,723
Support Services:				
Pupils	425,493	701,420	181,401	1,308,314
Instructional Staff	514,730	0	156,882	671,612
Board of Education	64,329	0	0	64,329
Administration	840,006	0	1,517	841,523
Fiscal	339,429	0	18,534	357,963
Operation and Maintenance of Plant	947,266	93,232	68,698	1,109,196
Pupil Transportation	444,060	0	6,608	450,668
Central	109,051	0	0	109,051
Operation of Non-Instructional Services:				
Food Service Operations	0	0	570,605	570,605
Extracurricular Activities	187,252	0	299,134	486,386
Capital Outlay	196,907	17,912,413	27,570	18,136,890
Debt Service:				
Principal Retirement	0	0	215,000	215,000
Interest and Fiscal Charges	0	6,203	430,528	436,731
Intergovernmental	43,500	0	0	43,500
Total Expenditures	10,494,174	18,713,268	3,261,630	32,469,072
Excess of Revenues Over (Under) Expenditures	228,480	(15,249,957)	276,646	(14,744,831)
<u>Other Financing Sources (Uses):</u>				
Inception of Capital Lease	0	582,000	0	582,000
Transfers In	0	0	10,779	10,779
Transfers Out	(10,659)	0	(120)	(10,779)
Total Other Financing Sources (Uses)	(10,659)	582,000	10,659	582,000
Net Change in Fund Balances	217,821	(14,667,957)	287,305	(14,162,831)
Fund Balances at Beginning of Year	946,217	17,954,133	845,130	19,745,480
Fund Balances at End of Year	\$1,164,038	\$3,286,176	\$1,132,435	\$5,582,649

See accompanying notes to the basic financial statements

Wheelersburg Local School District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2008

Net Change in Fund Balances - Total Governmental Funds (\$14,162,831)

***Amounts reported for governmental activities in the
Statement of Activities are different because:***

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital asset additions	184,886	
Construction in progress additions	18,572,700	
Depreciation expense	(279,198)	
Excess of capital outlay over depreciation expense	18,478,388	18,478,388

The disposal of capital assets resulted in a loss on disposal of capital assets in the Statement of Activities. (29,245)

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

Delinquent property taxes	100,363	
Intergovernmental	(1,262,157)	
Investment earnings	5,229	
	(1,156,565)	(1,156,565)

Some capital assets were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Assets the lease obligation is reported as a liability. (582,000)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current fiscal year, these amounts consist of:

Bond payments	215,000	
---------------	---------	--

Governmental funds report premiums and bond issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Amortization of bond issuance costs	(5,699)	
Amortization of bond premium	10,856	
	5,157	5,157

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences payable	(41,967)	
Decrease in accrued interest payable	537	
Total (increase)/decrease	(41,430)	(41,430)

Change in Net Assets of Governmental Activities \$2,726,474

Wheelersburg Local School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property Taxes	\$2,284,242	\$2,553,392	\$2,553,392	\$0
Intergovernmental	6,622,003	6,717,976	6,717,976	0
Investment Earnings	100,000	88,839	88,839	0
Tuition and Fees	1,235,770	1,260,079	1,260,079	0
Contributions and Donations	0	750	750	0
Miscellaneous	1,100	5,740	5,740	0
<i>Total Revenues</i>	<u>10,243,115</u>	<u>10,626,776</u>	<u>10,626,776</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,807,190	5,757,662	5,757,662	0
Special	558,442	604,780	604,780	0
Vocational	10,000	10,000	10,000	0
Student Intervention	5,300	5,268	5,268	0
Support Services:				
Pupils	419,546	423,186	423,186	0
Instructional Staff	558,661	516,524	516,524	0
Board of Education	84,118	85,066	85,066	0
Administration	825,259	837,854	837,854	0
Fiscal	315,695	335,653	335,653	0
Operation and Maintenance of Plant	937,282	965,331	965,331	0
Pupil Transportation	521,615	479,826	479,826	0
Central	114,641	109,144	109,144	0
Extracurricular Activities	192,990	187,252	187,252	0
Capital Outlay	274,771	277,959	277,959	0
<i>Total Expenditures</i>	<u>10,625,510</u>	<u>10,595,505</u>	<u>10,595,505</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(382,395)</u>	<u>31,271</u>	<u>31,271</u>	<u>0</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	25,000	0	0	0
Refund of Prior Year Expenditures	27,000	51,769	51,769	0
Transfers In	390,635	390,635	0	(390,635)
Transfers Out	(726,754)	(353,652)	(10,659)	342,993
Advances In	30,632	27,767	27,767	0
Advances Out	(65,000)	(605,797)	(605,797)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(318,487)</u>	<u>(489,278)</u>	<u>(536,920)</u>	<u>(47,642)</u>
<i>Net Change in Fund Balance</i>	<u>(700,882)</u>	<u>(458,007)</u>	<u>(505,649)</u>	<u>(47,642)</u>
<i>Fund Balance at Beginning of Year</i>	<u>1,504,969</u>	<u>1,504,969</u>	<u>1,504,969</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>377,947</u>	<u>377,947</u>	<u>377,947</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,182,034</u></u>	<u><u>\$1,424,909</u></u>	<u><u>\$1,377,267</u></u>	<u><u>(\$47,642)</u></u>

See accompanying notes to the basic financial statements

Wheelersburg Local School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Private Purpose Trust	Agency
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$356,990	\$21,726
Accrued Interest Receivable	1,156	0
<i>Total Assets</i>	358,146	\$21,726
<u>Liabilities:</u>		
Undistributed Monies	0	\$21,726
<u>Net Assets:</u>		
Held in Trust for Scholarships	\$358,146	

See accompanying notes to the basic financial statements

Wheelersburg Local School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2008

	Private Purpose Trust
	Scholarships
<u>Additions:</u>	
Gifts and Contributions	\$12,500
Increase in Fair Value of Investments	1,575
Interest	19,212
<i>Total Additions</i>	33,287
<u>Deductions:</u>	
Payments in Accordance with Trust Agreements	10,750
<i>Change in Net Assets</i>	22,537
<i>Net Assets at Beginning of Year</i>	335,609
<i>Net Assets at End of Year</i>	\$358,146

See accompanying notes to the basic financial statements

This page intentionally left blank.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Wheelersburg Local School District (the “School District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The School District was established in 1859 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 17 square miles. It is located in Scioto County, and includes most of Porter Township. It is staffed by 52 non-certificated employees, 98 certificated full-time teaching personnel and seven administrative employees who provide services to 1,484 students and other community members. The School District currently operates two instructional buildings, one administrative building, and one garage.

Reporting Entity:

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

The School District participates in four organizations, one of which is defined as a jointly governed organization, two as insurance purchasing pools, and one as a public entity shared risk pool. These organizations are the South Central Ohio Computer Association, the Ohio School Boards Association Workers’ Compensation Group Rating Plan, the Ohio School Plan, and the Scioto County Schools Council. These organizations are presented in Notes 16, 17 and 18 to the basic financial statements.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 statements normally distinguish between those activities of the School District that are governmental and those that are considered business-type activities. However, the School District has no business-type activities.

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 expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues 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. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into 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 rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

B. Fund Accounting

The School 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 School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District fall within two categories: governmental and fiduciary.

Governmental Funds:

Governmental funds are those through which most governmental functions of the School District are financed. Governmental fund reporting focuses 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 School District's major governmental funds:

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

Construction Fund - The Construction Fund is used to account for all intergovernmental monies, debt proceeds and interest received and expended in connection with the contracts entered into by the School District and the Ohio School Facilities Commission for the building and equipping of new classroom facilities.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

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 School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has three fiduciary funds which include two private purpose trust funds used to account for college scholarship donations and one agency fund which is used to account for student activity programs.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The private purpose trust funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide and fiduciary fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined, and “available” means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available for advance, grants, and interest.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

E. Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations 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 appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board of Education. The legal level of control has been established by the Board of Education at the fund level. The Treasurer maintains budgetary information at the fund, function, and object level and has the authority to allocate appropriations at the function and object level without resolution by the Board of Education.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School 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 final budgeted amounts reflect the amounts in the amended certificate in effect at the time the final appropriations were passed. Before fiscal year-end, the School District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year-end for the majority of accounts.

The appropriations resolution is subject to amendment by the Board of Education throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Education during the fiscal year, including all supplemental appropriations. Prior to fiscal year-end, the School District passed a supplemental appropriation that reflected actual expenditures plus encumbrances for the fiscal year for the majority of accounts.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

F. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled for investment with the exception of the proceeds of bonds, leases and grant monies related to the new facilities construction project. Monies for all other funds are maintained in the pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The proceeds of bonds and grant monies for the construction project that are held in separate deposit accounts of the School District are maintained in the Construction Fund and are presented as "Cash and Cash Equivalents" on the financial statements. The proceeds of bonds and grant monies for the construction project that are invested by the School District, but are not part of the School District's internal investment pool, are maintained in the Construction Fund and are presented as "Investments" on the financial statements. The School District also has amounts in escrow accounts to hold retainage amounts still owed to contractors. These amounts are presented as "Restricted Assets: Cash and Cash Equivalents with Escrow Agent" on the financial statements. During fiscal year 2008, the School District utilized U.S. Bank National Association to hold the capital lease proceeds to be used for constructing its new facilities. The monies are presented as "Restricted Assets: Investments with Fiscal Agent" within the Construction Fund on the financial statements.

During fiscal year 2008, the School District's investments were limited to Federal Home Loan Bank Notes, the State Treasury Asset Reserve of Ohio (STAROhio), Federal Home Loan Mortgage Corporation Discount Notes, U.S. Bank National Association Commercial Paper, Federal Home Loan Bank Bonds, Federal Home Loan Bank Consolidation Bonds, Federal Home Loan Bank Discount Notes, negotiable certificates of deposits, General Electric Capital Commercial Paper, and First American Government Obligation Mutual Fund. Investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2008.

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 2008 amounted to \$104,527, which includes \$44,591 assigned from other School District funds.

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.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/expensed when used. Inventories consist of materials and supplies held for consumption and purchased food held for resale.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

I. 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 externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent unspent grant proceeds required to be used by the School District for the purchase of buses. Restricted assets in the Construction Fund represent monies held in an escrow account that is still owed to contractors for work completed relating to the school construction project and cash received through the capital lease-purchase agreement related to constructing the School District's new facility.

J. Capital Assets

The School District's only capital assets are general capital assets that are associated with governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings and Improvements	30 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	5 - 12 years
Textbooks	10 years

K. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivable” and “Interfund Payable”. These amounts are eliminated in the governmental activities column of the Statement of Net Assets.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District’s past experience of making termination payments.

M. Bond Premiums/Unamortized Issuance Costs

For governmental activities, bond premiums and issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an addition to the face amount of the bond payable whereas issuance costs are presented as Deferred Charges.

On the governmental fund financial statements, the amortization of bond premiums and issuance costs are not reported.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current fiscal year. Bonds and capital leases are recognized as a liability on the governmental fund financial statements when due.

O. Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

P. Fund Balance Reserves and Designations

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. The School District also has fund balance designations. Fund balance designations are established to indicate tentative planned expenditures of financial resources. The designations reflect the School District's intentions and are subject to change. Designations are reported as part of unreserved fund balance. Fund equity reserves have been established for encumbrances, property taxes, and bus purchases. A designation of fund balance has been established for future severance payments.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Q. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. The government-wide Statement of Net Assets reports \$3,045,290 of restricted net assets, none of which is restricted by enabling legislation. Net assets restricted for other purposes include resources restricted for food service operations and music and athletic programs, donations received for athletic stadium renovations, property tax revenues received for the maintenance of facilities, and federal and State grants restricted to expenditures for specified purposes.

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

R. Estimates

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

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

Accountability

At June 30, 2008, the Food Service, Poverty Based Assistance, Miscellaneous State Grants, Title I, and Title II-A Special Revenue Funds had deficit fund balances of \$38,864, \$50,763, \$233, \$2,225, and \$1,403 respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Compliance

The School District was not in compliance with Ohio Rev. Code Section 5705.36(A)(2) which allows all subdivisions to request reduced amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected will be less than the amount in the official certificate of estimated resources.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

Net Change in Fund Balance	
GAAP Basis	\$217,821
Adjustments:	
Revenue Accruals	(32,029)
Expenditure Accruals	124,073
Net Decrease in Fair Value of Investments - Fiscal Year 2007	(3,794)
Net Increase in Fair Value of Investments - Fiscal Year 2008	(8,286)
Advances	(578,030)
Encumbrances	(225,404)
Budget Basis	(\$505,649)

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 5 – DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School 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 deposits are deposits of interim monies. 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 deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Interim monies held by the School District may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the 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 the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 5 – 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. Investments may only be made through specified dealers and institutions.

Deposits: Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year-end, \$2,139,995 of the School District’s bank balance of \$2,475,469 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution.

Investments: As of June 30, 2008, the School District had the following investments. All investments are in an internal investment pool except those investments relating to the Construction Fund.

	Fair Value	Investment Maturities (in Years)		Call Date
		Less than 1	1 - 4	
Federal Home Loan Bank Notes	\$3,115,631	\$2,765,061	\$350,570	----
STAROhio	1,389,598	1,389,598	0	----
Federal Home Loan Mortgage Corporation				
Discount Notes	973,830	973,830	0	----
U.S. Bank National Association Commercial Paper	575,797	575,797	0	----
Federal Home Loan Bank Bonds	499,375	0	499,375	1/29/2009
Federal Home Loan Bank Bonds	398,000	0	398,000	10/22/2008
Federal Home Loan Bank Bonds	328,970	0	328,970	12/18/2008
Federal Home Loan Bank Consolidation Bonds	407,124	0	407,124	10/26/2009
Federal Home Loan Bank Discount Notes	198,240	198,240	0	----
Negotiable Certificates of Deposits	195,072	0	195,072	----
General Electric Capital Commercial Paper	118,883	118,883	0	----
First American Government Obligation Mutual Fund	1,420	1,420	0	----
<i>Totals</i>	<u>\$8,201,940</u>	<u>\$6,022,829</u>	<u>\$2,179,111</u>	

Interest Rate Risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District’s investment policy requires that, to the extent possible, investments will match anticipated cash flow requirements. No investment shall be made unless the Treasurer, at the time of making the investment, reasonably expects it can be held to its maturity. Unless matched to a specific obligation or debt of the School District, the School District will not directly invest in securities maturing more than five years from the date of investment.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Credit Risk: The Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Discount Notes, Federal Home Loan Bank Bonds, Federal Home Loan Bank Consolidation Bonds, and Federal Home Loan Bank Discount Notes carry a rating of Aaa by Moody's and AAA by Standard and Poor's. The General Electric Capital Commercial Paper carries a rating of A-1+ by Standard and Poor's and P-1 by Moody's. STAROhio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service, the First American Government Obligation Mutual Fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service, and the General Electric Capital Commercial Paper be rated in the highest category at the time of purchase by at least two nationally recognized standard rating service. The School District's investment policy limits investments to those authorized by State statute but does not specifically address credit risk.

Concentration of Credit Risk: The School District places no limit on the amount it may invest in any one issuer. The School District's investments in Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Discount Notes, and Federal Home Loan Bank Bonds represent 37.99 percent, 11.87 percent, and 14.95 percent, respectively, of the School District's total investments.

NOTE 6 – PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District's 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. Real property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date.

Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007, and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 6 – PROPERTY TAXES *(continued)*

Tangible personal property tax revenue received during calendar year 2008 (other than public utility property tax) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Scioto County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 and the late tangible personal property tax settlement were levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2008, was \$123,816 and is recognized as revenue: \$94,063 in the General Fund, \$25,397 in the Bond Retirement Fund, \$2,352 in the Permanent Improvement Fund, and \$2,004 in the Facility Maintenance Fund. The amount available as an advance at June 30, 2007, was \$142,500 and was recognized as revenue: \$108,168 in the General Fund, \$29,143 in the Bond Retirement Fund, \$2,698 in the Permanent Improvement Fund, and \$2,491 in the Facility Maintenance Fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue is deferred.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 6 – PROPERTY TAXES (continued)

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

	2007 Second- Half Collections		2008 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$113,404,660	88.88%	\$126,939,650	89.95%
Public Utility Personal	10,644,310	8.34%	10,503,040	7.44%
General Business Personal	3,547,848	2.78%	3,689,250	2.61%
<i>Total Assessed Value</i>	<u><u>\$127,596,818</u></u>	<u><u>100.00%</u></u>	<u><u>\$141,131,940</u></u>	<u><u>100.00%</u></u>

Tax rate per \$1,000 of assessed valuation	\$35.81	\$35.81
---	---------	---------

NOTE 7 – RECEIVABLES

Receivables at June 30, 2008, consisted of property taxes, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivable amounts are expected to be received within one year with the exception of the Classroom Facilities Grant and delinquent property taxes. The Classroom Facilities Grant monies will be collected over the life of the construction of the new facilities. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
<u>Governmental Activities:</u>	
Classroom Facilities Grant	\$1,121,011
Title I	182,995
Early Childhood Education	59,636
IDEA Special Education, Part B	47,742
Title VI-B	34,470
Title II-A	23,792
National School Lunch and Breakfast Programs	12,056
Drug Free Schools	5,478
<i>Total Intergovernmental Receivables</i>	<u><u>\$1,487,180</u></u>

During fiscal year 2005, the School District was awarded \$25,255,330 for the construction of new facilities from the Ohio School Facilities Commission. During fiscal year 2008, the School District was awarded an additional \$1,638,712 for the construction of new facilities from the Ohio School Facilities Commission.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 8 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Balance At</u> <u>6/30/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance At</u> <u>6/30/2008</u>
<i>Governmental Activities:</i>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$931,568	\$0	\$0	\$931,568
Construction in Progress	15,643,484	18,572,700	(392,604)	33,823,580
<i>Total Capital Assets Not Being Depreciated</i>	<u>16,575,052</u>	<u>18,572,700</u>	<u>(392,604)</u>	<u>34,755,148</u>
 <i>Depreciable Capital Assets:</i>				
Land Improvements	489,603	80,362	0	569,965
Buildings and Improvements	5,096,856	334,712	0	5,431,568
Furniture, Fixtures and Equipment	1,493,938	162,416	(50,604)	1,605,750
Vehicles	1,065,160	0	0	1,065,160
Textbooks	455,353	0	0	455,353
<i>Total Depreciable Capital Assets</i>	<u>8,600,910</u>	<u>577,490</u>	<u>(50,604)</u>	<u>9,127,796</u>
 <i>Less Accumulated Depreciation:</i>				
Land Improvements	(253,290)	(16,526)	0	(269,816)
Buildings and Improvements	(3,834,737)	(97,387)	0	(3,932,124)
Furniture, Fixtures and Equipment	(987,920)	(89,859)	21,359	(1,056,420)
Vehicles	(595,259)	(75,426)	0	(670,685)
Textbooks	(409,817)	0	0	(409,817)
<i>Total Accumulated Depreciation</i>	<u>(6,081,023)</u>	<u>(279,198) *</u>	<u>21,359</u>	<u>(6,338,862)</u>
 <i>Total Capital Assets Being Depreciated, Net</i>				
	<u>2,519,887</u>	<u>298,292</u>	<u>(29,245)</u>	<u>2,788,934</u>
 <i>Governmental Activities Capital Assets, Net</i>				
	<u>\$19,094,939</u>	<u>\$18,870,992</u>	<u>(\$421,849)</u>	<u>\$37,544,082</u>

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 8 – CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$100,821
Special	18,002
Student Intervention	243
Support Services:	
Pupils	478
Instructional Staff	12,484
Administration	8,316
Fiscal	3,048
Operation and Maintenance of Plant	33,859
Pupil Transportation	69,759
Central	3,690
Operation of Non-Instructional Services	7,612
Extracurricular Activities	20,886
<i>Total Depreciation Expense</i>	<u><u>\$279,198</u></u>

NOTE 9 – RISK MANAGEMENT

A. Property and Liability

The School 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 natural disasters. The School District has joined with other school districts in Ohio to participate in the Ohio School Plan (OSP), an insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to Hylant Administrative Services, LLC (See Note 17). The types and amounts of coverage follow:

Building and Contents Replacement Cost (\$1,000 deductible)	\$27,961,730
Boiler and Machinery (\$1,000 deductible)	27,961,730
Automobile Liability	1,000,000
Auto Medical Payments	5,000
Uninsured Motorists	1,000,000
Ammonia Contamination	250,000
Consequential Loss	250,000
Data and Media	250,000
Hazardous Substance	250,000
Water Damage	250,000

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 9 – RISK MANAGEMENT (continued)

Audio-Visual Equipment (\$1,000 deductible)	\$50,000
Miscellaneous Equipment (\$1,000 deductible)	251,000
Musical Instruments (\$1,000 deductible)	100,000
Electronic Equipment/Media Coverage (\$1,000 deductible):	
Blanket Electronic Equipment	50,000
Blanket Electronic Media	5,000
Blanket Extra Expense	5,000
Blanket Business Income	5,000
In Transit Limit	5,000
Crime Coverage:	
Employee Theft - Per Loss Coverage (\$1,000 deductible)	25,000
Forgery or Alteration (\$1,000 deductible)	25,000
Inside the Premises - Theft of Money and Securities (\$1,000 deductible)	10,000
Outside the Premises - Theft of Money and Securities (\$1,000 deductible)	10,000
Computer Fraud (\$1,000 deductible)	25,000
Equipment Breakdown	
Expediting Expense	250,000
Spoilage Damage	250,000
Utility Interruption	250,000
Newly Acquired Premises	250,000
Ordinance or Law Coverage	250,000
Errors and Omissions	250,000
Brands and Labels	250,000
Contingent Business Income and Extra Expense	250,000
General Liability:	
Bodily Injury and Property Damage Limit - Each Occurrence and Sexual Abuse Injury Limit - Each Sexual Abuse Offense	1,000,000
Personal and Advertising Injury Limit - Each Offense	1,000,000
Loss of Electronic Data Limit - Each Electronic Data Incident	50,000
Fire Damage - Any One Event Limit	500,000
Medical Expense - Any One Person Limit	10,000
Medical Expense - Each Accident Limit	10,000
General Aggregate Limit	3,000,000
Products - Completed Operations Aggregate Limit	1,000,000
Employee Benefits Liability Endorsement:	
Employee Benefits Injury - Each Offense Limit	1,000,000
Employee Benefits Injury - Aggregate Limit	3,000,000
Employer's Liability and Stop Gap Endorsement:	
Bodily Injury by Accident - Each Accident Limit	1,000,000
Bodily Injury by Disease - Endorsement Limit	1,000,000
Bodily Injury by Disease - Each Employee Limit	1,000,000

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 9 – RISK MANAGEMENT (continued)

Educational Legal Liability Coverage (\$2,500 deductible):	
Errors and Omissions Injury Limit	\$1,000,000
Errors and Omissions Injury Aggregate Limit	3,000,000
Employment Practices Injury Limit	1,000,000
Employment Practices Injury Aggregate Limit	3,000,000
Excess Liability Coverage:	
Educational General Liability	
Bodily Injury and Property Damage Limit - Each Occurrence, Each Wrongful Act and Sexual Abuse Injury Limit - Each Sexual Abuse Offense	2,000,000
Personal and Advertising Injury Limit - Each Offense	2,000,000
General Aggregate Limit	2,000,000
Products - Completed Operations Aggregate Limit	2,000,000
Employee Benefits Liability - Claims Made	
Employee Benefits Injury - Each Offense Limit	2,000,000
Employee Benefits Injury - Aggregate Limit	2,000,000
Educational Legal Liability - Claims Made	
Errors and Omissions Injury Limit	2,000,000
Errors and Omissions Injury Aggregate Limit	2,000,000
Employment Practices Injury Limit	2,000,000
Employment Practices Injury Aggregate Limit	2,000,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant change in insurance coverage from last fiscal year.

B. Builders' Risk Insurance

During fiscal year 2008, the School District contracted with Chubb Insurance Company for builders' risk coverage. The types and amounts of coverage provided by Chubb Insurance Company are as follows:

Total Property Limit of Insurance (\$5,000 deductible)	\$26,045,771
Temporary Contract Works (\$5,000 deductible)	250,000
Contract Works Awaiting Delivery (\$5,000 deductible)	250,000
Contract Works in Transit (\$5,000 deductible)	250,000
Debris Removal	100,000
Inventory or Appraisals	25,000
Pollutant Clean Up or Removal	25,000
Fire Department Service Charges	25,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in coverage from the prior fiscal year.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 9 – RISK MANAGEMENT *(continued)*

C. Employee Medical and Dental Benefits

The School District is a member of the Scioto County Schools Council, a public entity shared risk pool (Note 18), offering medical and dental insurance to the employees of participating school districts. Monthly premiums are paid to the South Central Ohio Educational Service Center as fiscal agent, who in turns pays the claims on the School District's behalf. The Council is responsible for the management and operations of the program. Upon termination from the Council, for any reason, the School District shall have no obligation under the plan beyond paying the difference between the claims incurred (even though later filed) and expenses of the plan due up to the date of termination plus extended benefits, if any, provided under the plan. All claims and expenses shall be paid from the funds of the Council.

D. Workers' Compensation

For July through December 2007, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. 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 GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

As of January 2008, the School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated on accident history and administrative costs.

NOTE 10 – DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

Plan Description – The School District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 10 – DEFINED BENEFIT PENSION PLANS *(continued)*

Funding Policy – 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. A portion of the School District’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District’s required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007, and 2006 were \$123,300, \$147,257 and \$140,652, respectively; 46.40 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

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

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

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. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 10 – DEFINED BENEFIT PENSION PLANS *(continued)*

Funding Policy – For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$687,524, \$670,273, and \$664,497, respectively; 83.49 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$1,012 made by the School District and \$3,860 made by the plan members.

NOTE 11 – POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800.

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

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$85,508, \$77,948, and \$77,503 respectively; 46.40 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 11 – POSTEMPLOYMENT BENEFITS *(continued)*

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$8,884, \$10,013, and \$11,195, respectively; 46.40 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$52,886, \$51,559, and \$51,115, respectively; 83.49 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NOTE 12 – EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees and administrators earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 225 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 12 – EMPLOYEE BENEFITS (continued)

B. Insurance

The School District provides life insurance to most employees through SunLife, health and dental insurance through the Scioto County Schools Council, and vision benefits through Vision Service Plan.

C. Special Termination Benefit Payable

For fiscal years 2006 to 2008, employees eligible to retire were offered a special termination benefit. A bargaining unit employee who becomes eligible under the Ohio Revised Code Section 3307.38 and elects to take service retirement through STRS and provides the School District with notice by the regular February Board of Education meeting is entitled to receive a one-time lump-sum payment of \$3,500, less payroll withholdings. For the fiscal year ended June 30, 2008, one individual retired who was eligible for the \$3,500 bonus and was paid before fiscal year-end.

D. Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 13 – CAPITALIZED LEASE – LESSEE DISCLOSURE

During the fiscal year, the School District entered into a lease-purchase agreement for constructing its new facilities. The terms of the agreement transfers ownership of the building to the School District at the expiration of the lease term. The lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases,"* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The School District is leasing the project from the Columbus Regional Airport Authority. Columbus Regional Airport Authority deposited \$582,000 with U.S. Bank National Association, who will serve as the fiscal agent for the monies. The School District will utilize the monies held by U.S. Bank National Association to pay for the costs that are beyond those authorized to be funded by the Ohio School Facilities Commission. In turn, the School District will make semi-annual lease payments to U.S. Bank National Association. Interest rates are based on a calculation of the TBMA index. The lease is renewable annually and expires in 2018. The intention of the School District is to renew the lease annually and make payments using the general revenues of the School District.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 13 – CAPITALIZED LEASE – LESSEE DISCLOSURE (continued)

Capital assets acquired under the lease-purchase agreement will be capitalized as construction in progress in the Statement of Net Assets for governmental activities during the construction project. Once the project is completed, the capital assets will be reported as buildings and improvements and furniture, fixtures, and equipment as appropriate in the Statement of Net Assets for governmental activities. At fiscal year-end, \$6,203 of the proceeds from the capital lease had been spent toward the construction project. A liability was recorded on the Statement of Net Assets for governmental activities in the amount of \$582,000, which is equal to the present value of the minimum lease payments at the time of acquisition.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2008.

Fiscal Year Ending June 30,	Total Payments
2009	\$72,572
2010	72,023
2011	70,965
2012	70,849
2013	70,653
2014 - 2018	350,462
Total	707,524
Less: Amount Representing Interest	(125,524)
<i>Present Value of Net Minimum Lease Payments</i>	\$582,000

NOTE 14 – LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2008 were as follows:

	Amount Outstanding 6/30/07	Additions	Deductions	Amount Outstanding 6/30/08	Amount Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bond:					
2005 Classroom Facilities:					
Term Bonds 5.00%	\$2,805,000	\$0	\$0	\$2,805,000	\$0
Serial Bonds 3.00 to 5.00%	6,760,000	0	215,000	6,545,000	220,000
Premium on Debt Issue	279,540	0	10,856	268,684	0
Capital Leases	0	582,000	0	582,000	47,000
Compensated Absences	596,974	90,471	48,504	638,941	92,331
<i>Total Governmental Activities</i>					
<i>Long-Term Obligations</i>	\$10,441,514	\$672,471	\$274,360	\$10,839,625	\$359,331

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

2005 Classroom Facilities General Obligation Bonds – On March 15, 2005, the School District issued \$9,968,000 in voted general obligation bonds for the purpose of retiring the Classroom Facilities Bond Anticipation Notes issued December 28, 2004, issued for the purpose of constructing new educational facilities. Current interest bonds were issued in an aggregate principal amount of \$9,968,000. Of these bonds, \$7,163,000 were serial bonds and \$2,805,000 were term bonds. The bonds were issued for a twenty-seven year period with final maturity in December 2032. The bonds will be retired from the Bond Retirement Fund.

The term bonds issued at \$2,805,000 and maturing on December 1, 2032, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1, in the years and in the respective principal amounts as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Amount</u>
2029	\$505,000
2030	535,000
2031	560,000
2032	590,000
2033	615,000
<i>Total</i>	<u><u>\$2,805,000</u></u>

The serial bonds issued at \$7,163,000, with maturity dates of December 1, 2006, to December 1, 2027, are subject to optional redemption, in whole or in part on any date at the option of the issuer on or after June 1, 2015, at the redemption price of 100 percent.

As of June 30, 2008, \$8,039,709 of the bond proceeds had been spent toward the project.

Compensated absences will be paid from the General Fund. Capital leases will be paid from the General Fund.

The School District's overall legal debt margin was \$3,382,301 with an unvoted debt margin of \$136,765 at June 30, 2008.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 14 – LONG-TERM OBLIGATIONS *(continued)*

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2008, are as follows:

Classroom Facilities General Obligation Bonds - 2005					
Fiscal Year Ending June 30,	Term Bonds Principal	Term Bonds Interest	Serial Bonds Principal	Serial Bonds Interest	Total
2009	\$0	\$0	\$220,000	\$424,002	\$644,002
2010	0	0	230,000	417,109	647,109
2011	0	0	235,000	409,638	644,638
2012	0	0	240,000	401,560	641,560
2013	0	0	250,000	392,860	642,860
2014-2018	0	0	1,405,000	1,809,575	3,214,575
2019-2023	0	0	1,760,000	1,445,911	3,205,911
2024-2028	0	0	2,205,000	986,075	3,191,075
2029-2033	2,805,000	364,375	0	0	3,169,375
<i>Totals</i>	<u>\$2,805,000</u>	<u>\$364,375</u>	<u>\$6,545,000</u>	<u>\$6,286,730</u>	<u>\$16,001,105</u>

NOTE 15 – INTERFUND ACTIVITY

A. Interfund Receivables/Payables

As of June 30, 2008, interfund receivables and payables that resulted from various interfund transactions were as follows:

		Receivable
		General Fund
Payable	Construction Fund	\$575,797
	Other Governmental Funds	49,837
	<i>Totals</i>	<u>\$625,634</u>

General Fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Advancing monies to other funds is necessary due to timing differences in receiving grant monies. When the monies are finally received, the grant fund will use these restricted monies to reimburse the General Fund for the initial advance.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 15 – INTERFUND ACTIVITY *(continued)*

B. Interfund Transfers

Transfers made during the fiscal year ended June 30, 2008, were as follows:

		Transfers From		
		General Fund	Other Governmental Funds	Total
Transfers To	Other			
	Governmental Funds	\$10,659	\$120	\$10,779

General Fund transfers are made to move unrestricted balances to support programs and projects accounted for in other funds. Other Governmental Funds transfers are made to move donations to support programs accounted for in other funds.

NOTE 16 – JOINTLY GOVERNED ORGANIZATION

South Central Ohio Computer Association

The School District is a participant in the South Central Ohio Computer Association (SCOCA), which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross, Jackson, Vinton, Pickaway, Gallia and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, plus a representative of the fiscal agent. The School District paid SCOCA \$23,008 for services provided during the fiscal year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper who serves as Treasurer, at P. O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

NOTE 17 – INSURANCE PURCHASING POOLS

A. Ohio School Boards Association Workers’ Compensation Group Rating Plan

For July through December 2007, the School District participated in the Ohio School Boards Association Workers’ Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP’s business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each fiscal year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. As of January 2008, the School District was no longer a participant in the GRP.

B. Ohio School Plan

The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the OSP to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP’s business and affairs are conducted by a thirteen member Board of Directors consisting of school district superintendents and treasurers, as well as Dave Harcum, an independent consultant of Hylant Administrative Services, LLC, and a partner of the Hylant Administrative Services, LLC. The Hylant Administrative Services, LLC is the administrator of the OSP and is responsible for processing claims.

NOTE 18 – PUBLIC ENTITY SHARED RISK POOL

Scioto County Schools Council

The School District is a member of the Scioto County Schools Council, a public entity shared risk pool. Several Scioto County school districts have entered into an agreement with the South Central Ohio Educational Service Center to form the Scioto County Schools Council. The overall objectives of the Council are to formulate and administer programs of health and dental insurance for the benefit of the Council members’ employees and their dependents, to obtain lower costs for health and dental coverage, and to secure cost control by implementing a program of comprehensive loss control. The Council’s business and affairs are managed by a Board of Directors, consisting of the superintendents from each of the participating school districts. The School District pays premiums based on what the Council estimates will cover the costs of all claims for which the Council is obligated. If the School District’s claims exceed its premiums, there is no individual supplemental assessment; on the other hand, if the School District’s claims are low, it will not receive a refund. The Council views its activities in the aggregate, rather than on an individual entity basis. To obtain financial information, write to the fiscal agent, South Central Ohio Educational Service Center, 411 Court Street, Portsmouth, Ohio 45662.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 19 – SET-ASIDE CALCULATIONS

The School 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 fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

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

	Textbooks and Instructional Materials	Capital Acquisitions
Set-aside Reserve Balance as of June 30, 2007	(\$445,882)	\$0
Current Fiscal Year Set-aside Requirement	202,040	202,040
Current Fiscal Year Offsets	0	(115,133)
Qualifying Disbursements	(305,186)	(387,696)
<i>Totals</i>	<u>(\$549,028)</u>	<u>(\$300,789)</u>
<i>Set-aside Reserve Balance as of June 30, 2008</i>	<u>(\$549,028)</u>	<u>\$0</u>

Although the School District had offsets and qualifying disbursements during the fiscal year that reduced the set-aside amounts below zero for textbooks and instructional materials and capital acquisitions, only the amount for the textbooks and instructional materials set-aside may be used to reduce the set-aside requirement of future fiscal years.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 20 – CONSTRUCTION COMMITMENTS

The School District contracted for the design and construction of new buildings. The outstanding construction commitments at June 30, 2008, are:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance At June 30, 2008</u>
Tanner, Stone & Company	\$1,918,322	\$1,806,359	\$111,963
J & H Erectors	19,012,765	17,784,182	1,228,583
Key Blue Prints	50,000	42,917	7,083
Stan and Associates	73,924	22,916	51,008
Bovis Lend Lease, Inc.	1,712,689	1,648,745	63,944
Brewer & Company of West Virginia Mechanical Construction	535,246	484,043	51,203
Building Control Integrators	5,483,329	5,412,413	70,916
West End Electric	419,731	364,110	55,621
Pro-Onsite Technologies	3,796,353	3,756,301	40,052
Resource One	480,373	431,792	48,581
Valley Electrical Consolidated	228,573	206,773	21,800
Continental Educational Environments	541,928	515,908	26,020
Martin Public Seating	381,550	220,244	161,306
Zimmerman School Equipment	102,104	0	102,104
Tom Sexton	89,812	350,869	44,943
Krueger International, Inc.	89,397	0	89,397
Wenger Corporation	27,871	0	27,871
	62,301	0	62,301
<i>Totals</i>	<u>\$35,312,268</u>	<u>\$33,047,572</u>	<u>\$2,264,696</u>

NOTE 21 – CONTINGENCIES

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2008.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 21 – CONTINGENCIES *(continued)*

B. Litigation

At fiscal year-end, the School District was a party to one legal proceeding. The proceeding was the result of a special audit conducted by the Auditor of State’s Office in relationship to the School District’s Latchkey Program. As a result of the special audit, the School District moved to consider the contract termination of the Latchkey Program’s administrator. A hearing has been set by the Ohio Department of Education’s hearing officer. Subsequently, the School District has been sued by the Latchkey Program administrator. However, at fiscal year-end, the School District was not able to determine what effect, if any, this claim will have on the financial condition of the School District.

NOTE 22 – SUBSEQUENT EVENTS

On August 25, 2008, the Board of Education approved a change order, in the amount of \$44,431, for J & H Erectors for the additional cost of stone.

On September 16, 2008, the Board of Education approved the following contracts in regards to its construction project:

Contractor	Contract Amount
Distel Construction	\$420,000
Solid Rock Construction	70,800
Tri-State Lawn Care	50,783
<i>Total</i>	\$541,583

On September 29, 2008, the Board of Education approved the following change orders for J & H Erectors:

- * \$65,337 for additional cost to complete asphalt repairs;
- * \$42,030 for additional cost to complete five remaining inverts using RFP 69 as reference due to water runoff causing erosion;
- * \$35,530 for additional cost for concrete placement in the courtyard; and
- * \$32,130 for additional cost for limestone at student parking lot.

On October 27, 2008, the School District Board of Education approved the following change orders for J & H Erectors:

- * \$55,804 for additional cost involved with backfilling, adding topsoil and applying seed behind curbs and
- * \$27,820 for additional cost involved with overlaying parking lot with additional asphalt.

**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Grant Year	Federal CFDA Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Food Donation	N/A	10.550	\$0	\$6,689	\$0	\$6,689
Nutrition Cluster:						
School Breakfast Program	2007	10.553	10,592		10,592	
	2008		101,377		101,377	
Total School Breakfast Program			111,969	0	111,969	0
National School Lunch Program	2007	10.555	15,475		15,475	
	2008		180,111		180,111	
Total National School Lunch Program			195,586	0	195,586	0
Total Nutrition Cluster			307,555	0	307,555	0
Total U.S. Department of Agriculture			307,555	6,689	307,555	6,689
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	2007	84.010	18,877		51,974	
	2008		426,539		416,425	
Total Title I Grants to Local Educational Agencies			445,416	0	468,399	0
Special Education - Grants to States	2007	84.027	(21,693)		22,338	
	2008		321,755		283,986	
Total Special Education - Grants to States			300,062	0	306,324	0
Safe and Drug-Free Schools and Communities - State Grants	2007	84.186	(257)		0	
	2008		11,576		11,576	
Total Safe and Drug-Free Schools and Communities - State Grants			11,319	0	11,576	0
State Grants for Innovative Programs	2008	84.298	3,483		3,483	
Education Technology State Grants	2007	84.318	(1,089)		191	
	2008		6,021		6,021	
Total Education Technology State Grants			4,932	0	6,212	0
Rural Education	2007	84.358	6,254		6,254	
	2008		14,522		34,359	
Total Rural Education			20,776	0	40,613	0
Improving Teacher Quality State Grants	2007	84.367	(759)		11,504	
	2008		82,494		78,281	
Total Improving Teacher Quality State Grants			81,735	0	89,785	0
Total U.S. Department of Education			867,723	0	926,392	0
Total Federal Awards Receipts and Expenditures			<u>\$1,175,278</u>	<u>\$6,689</u>	<u>\$1,233,947</u>	<u>\$6,689</u>

The Notes to the Schedule of Federal Awards Receipts and Expenditures is an integral part of the Schedule.

**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) is a summary of the School 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.

NOTE C - FOOD DONATION PROGRAM

Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

NOTE D - TRANSFER BETWEEN GRANT YEARS

During fiscal year 2008, there were transfers between grant years to account for carryover of grant monies. These transfers were reflected as negative receipts under the old grant year and positive receipts under the new grant year on the Schedule. Transfers were made between the 2007 and 2008 grant years as follows:

Program:	Amount:	From Grant Year:	To Grant Year:
CFDA 84.010	\$6,123	2007	2008
CFDA 84.027	\$21,693	2007	2008
CFDA 84.186	\$257	2007	2008
CFDA 84.318	\$1,089	2007	2008
CFDA 84.367	\$759	2007	2008



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*

Wheelersburg Local School District
Scioto County
P.O. Box 340
Wheelersburg, Ohio 45694

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wheelersburg Local School District, Scioto County, Ohio (the School District), as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements and have issued our report thereon dated April 2, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the School District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School 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 School 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 School 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 School 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 School District's management in a separate letter dated April 2, 2009.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701-2157
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110
www.auditor.state.oh.us

Compliance and Other Matters

As part of reasonably assuring whether the School 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 or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-001.

We also noted a certain noncompliance or other matter not requiring inclusion in this report that we reported to the School District's management in a separate letter dated April 2, 2009.

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

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



Mary Taylor, CPA
Auditor of State

April 2, 2009



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

Wheelersburg Local School District
Scioto County
P.O. Box 340
Wheelersburg, Ohio 45694

To the Board of Education:

Compliance

We have audited the compliance of the Wheelersburg Local School District, Scioto County, Ohio (the School 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 each of its major federal programs for the year ended June 30, 2008. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the School District's major federal programs. The School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the School 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 School 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 School District's compliance with those requirements.

In our opinion the School District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The School District's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School 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 School 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 School District's ability to administer a federal program such that there is more than a remote likelihood that the School 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 School 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.

However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the School District's management in a separate letter dated April 2, 2009.

We intend this report solely for the information and use of 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

April 2, 2009

**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2008**

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):	Nutrition Cluster CFDA # 10.553 and 10.555 Title I Grants to Local Educational Agencies CFDA # 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

**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2008
(Continued)**

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

FINDING NUMBER 2008-001

Noncompliance Citation

Ohio Rev. Code Section 5705.36(A)(2) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be greater or less than the amount included in an amended certificate, the fiscal officer may certify the amount of the deficiency or excess to the commission, and if the commission determines that the fiscal officer's certification is reasonable, the commission shall certify an amended certificate reflecting the deficiency or excess.

Ohio Rev. Code Section 5705.36(A)(3) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be greater than the amount included in an official certificate and the legislative authority intends to appropriate and expend the excess revenue, the fiscal officer shall certify the amount of excess to the commission, and if the commission determines that the fiscal officer's certification is reasonable, the commission shall certify an amended official certificate reflecting such excess.

Ohio Rev. Code Section 5705.36(A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

The total appropriations made during a fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources or the amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation.

On June 30, 2008, appropriations exceeded actual resources as follows:

<u>Fund</u>	<u>Actual Resources</u>	<u>Appropriations</u>	<u>Variance</u>	<u>% Variance</u>
Ohio School Facilities Fund	\$4,711,635	\$5,193,196	(\$481,561)	-10%

This could result in overspending if not properly monitored.

We recommend the School District Treasurer monitor estimated and actual resources. When it is apparent that actual receipts will fall short of budgetary estimates and appropriations are greater than actual or estimated resources, the School District Treasurer should obtain a reduced amended certificate from the County Budget Commission. We further recommend the School District Board of Education make corresponding reductions in appropriations.

Officials' Response and Corrective Action Plan:

The School District's Certificate of Estimated Resources was set to its actual amount received at year end. The School District was still owed funds by the State of Ohio for credit to this fund which should have been reflected in the Certificate of Estimated Resources for an amount more than the variance shown above. The School District will more closely monitor the Certificate of Estimated Resources in the future.

**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2008
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

None.



Mary Taylor, CPA
Auditor of State

WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO 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
APRIL 16, 2009