



Mary Taylor, CPA
Auditor of State

**INDIAN CREEK LOCAL SCHOOL DISTRICT
JEFFERSON COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Indian Creek Local School District
Jefferson County
587 Bantam Ridge Road
Wintersville, Ohio 43953

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 Indian Creek Local School District, Jefferson County, Ohio (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

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 Indian Creek Local School District, Jefferson County, Ohio, as of June 30, 2009, and the respective changes in financial position and where applicable, cash flows, 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 January 5, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information 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.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The federal awards expenditure schedule is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. We subjected the federal awards expenditure schedule 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

January 5, 2010

Indian Creek Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

The management's discussion and analysis of Indian Creek 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, 2009. 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 basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key Financial Highlights for fiscal year 2009 are as follows:

- The School District issued \$11,599,999 in school facilities construction bonds on March 17, 2009. The bond issue will be used to build a new middle school under the Ohio School Facilities Exceptional Needs Program. This bond issue was passed by the community during the November 2008 elections.
- The School District's enrollment stayed relatively stable from fiscal year 2008 to fiscal year 2009. There was a small increase of 124 students in fiscal year 2009.
- The School District had an increase in expenditures during the current fiscal year due to a few different variables. Certified, Classified, Administration and non-union employees received a four percent raise along with one percent step increase for eligible employees.

Using this Annual Financial Report

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain 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 most significant funds with all other non-major funds presented in total in one column. In the case of Indian Creek Local School District, the General Fund and the Classroom Facilities Capital Projects Fund are the more significant funds.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during 2009?" The *Statement of Net Assets* and the *Statement of Activities* answers this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Indian Creek Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

These two statements report the School District's net assets and changes in those assets. This 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 performance, demographic and socioeconomic factors and willingness of the community to support the School District.

In the Statement of Net Assets and the Statement of Activities, all of the School District's activities are classified as governmental. Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service operations and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 9. 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. The School District's major governmental funds are the General Fund and the Classroom Facilities Capital Projects Fund.

Governmental Funds

Most of the School District's activities are reported as governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. These funds are reported using an 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 differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Fund The School District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District's internal service fund accounts for medical and prescription drug self-insurance. The proprietary fund uses the accrual basis of accounting.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

Indian Creek Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

The School District as a Whole

You may recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a comparison of the School District's Net Assets for 2009 compared to 2008:

(Table 1)
 Net Assets
 Governmental Activities

	2009	2008	Change
Assets			
Current and Other Assets	\$26,287,360	\$12,820,883	\$13,466,477
Capital Assets	5,027,698	4,054,050	973,648
<i>Total Assets</i>	<u>31,315,058</u>	<u>16,874,933</u>	<u>14,440,125</u>
Liabilities			
Current Liabilities	10,568,199	9,430,255	1,137,944
Long-Term Liabilities			
Due within One Year	496,196	185,090	311,106
Due in More than One Year	13,527,808	1,870,152	11,657,656
<i>Total Liabilities</i>	<u>24,592,203</u>	<u>11,485,497</u>	<u>13,106,706</u>
Net Assets			
Invested in Capital Assets			
Net of Related Debt	2,888,298	3,252,172	(363,874)
Restricted for:			
Capital Projects	1,337,838	128,289	1,209,549
Debt Service	469,670	60,568	409,102
Set Asides	69,324	69,324	0
Other Purposes	465,552	174,791	290,761
Unrestricted	1,492,173	1,704,292	(212,119)
<i>Total Net Assets</i>	<u>\$6,722,855</u>	<u>\$5,389,436</u>	<u>\$1,333,419</u>

As one can see from the increase in overall net assets, the School District continues to provide the services that the School District citizens expect while maintaining the costs of providing those services during the current economic recession.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for 2009 and 2008.

Indian Creek Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

(Table 2)
Change in Net Assets (continued)
Governmental Activities

	2009	2008	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services and Sales	\$2,118,833	\$1,990,336	\$128,497
Operating Grants and Contributions	3,516,738	4,225,432	(708,694)
Capital Grants and Contributions	673,685	12,547	661,138
<i>Total Program Revenues</i>	6,309,256	6,228,315	80,941
<i>General Revenues</i>			
Property Taxes	\$8,525,458	\$7,832,823	\$692,635
Grants and Entitlements not Restricted	8,718,818	7,346,080	1,372,738
Investment Earnings	133,877	203,964	(70,087)
Miscellaneous	34,581	133,440	(98,859)
<i>Total General Revenues</i>	17,412,734	15,516,307	1,896,427
<i>Total Revenues</i>	23,721,990	21,744,622	1,977,368
Program Expenses			
Current:			
Instruction:			
Regular	10,090,205	10,205,940	115,735
Special	2,699,292	2,826,060	126,768
Vocational	288,256	314,235	25,979
Adult/Continuing	4,214	2,357	(1,857)
Student Intervention Services	363,390	0	(363,390)
Support Services:			
Pupils	872,324	888,639	16,315
Instructional Staff	939,684	994,444	54,760
Board of Education	18,306	12,609	(5,697)
Administration	1,625,272	1,531,789	(93,483)
Fiscal	426,778	430,643	3,865
Business	0	9,798	9,798
Operation and Maintenance of Plant	2,123,305	2,230,308	107,003
Pupil Transportation	1,077,347	1,106,794	29,447
Central	92,031	94,793	2,762
Extracurricular Activities	423,070	392,256	(30,814)
Operation of Non-Instructional Services	253,480	305,958	52,478
Operation of Food Service	844,462	812,830	(31,632)
Interest and Fiscal Charges	247,155	41,224	(205,931)
<i>Total Program Expenses</i>	22,388,571	22,200,677	(187,894)
<i>Increase (Decrease) in Net Assets</i>	1,333,419	(456,055)	1,789,474
Net Assets Beginning of Year	5,389,436	5,845,491	(456,055)
<i>Net Assets End of Year</i>	\$6,722,855	\$5,389,436	\$1,333,419

Indian Creek Local School District
Management's Discussion and Analysis
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Unaudited

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay less than \$35.00 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

Thus School District's dependence upon property taxes is hampered by a lack of revenue growth so it must regularly return to the voters to maintain a constant level of service. Property taxes made up 35.94 percent of revenues for governmental activities for Indian Creek Local School District in fiscal year 2009 versus 36.02 percent in fiscal year 2008 and 38.30 percent in fiscal year 2007. Real estate taxes have decreased partially because of a new homestead exemption of \$25,000. Overall the loss is made up through homestead reimbursements to the School District so this is more of a revenue reclassification. During fiscal year 2009, real estate tax collections had a loss of about \$26,500 due to a successful appeal of taxable valuation by a Class II taxpayer. These resulted in an assessed valuation loss of \$498,650 for tax year 2005 and \$434,810 for tax year 2007.

Although the School District relies upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset operating costs.

All instructional and administrative expenses increased due a 4 percent negotiated wage increase given to certified, classified, administrative and non-union staff coupled with step increases of about 1 percent. The School District also experienced increases from rising healthcare costs which increased premiums 4.5 to 5 percent. The School District continues to show vigilance in monitoring all facets of spending.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services for 2009 compared to 2008.

Indian Creek Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

(Table 3)
 Total and Net Cost of Program Services
 Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
Instruction	\$13,445,357	\$9,163,599	\$13,348,592	\$9,363,855
Support Services:				
Pupils and Instructional Staff	1,812,008	1,291,998	1,883,083	1,154,348
Board of Education and Administration	1,643,578	1,557,355	1,544,398	1,434,684
Fiscal and Business	426,778	392,986	440,441	440,441
Operation and Maintenance of Plant	2,123,305	2,087,027	2,230,308	2,230,258
Pupil Transportation	1,077,347	1,053,891	1,106,794	1,072,727
Central	92,031	67,353	94,793	68,565
Extracurricular Activities	423,070	209,903	392,256	220,528
Operation of Non-Instructional Services	253,480	33,978	305,958	(18,828)
Operation of Food Service	844,462	(25,930)	812,830	(35,440)
Interest and Fiscal Charges	247,155	247,155	41,224	41,224
<i>Total Expenses</i>	<u>\$22,388,571</u>	<u>\$16,079,315</u>	<u>\$22,200,677</u>	<u>\$15,972,362</u>

The dependence upon general revenues for governmental activities is apparent as local property tax accounts for roughly 35.94 percent and grants and entitlements account for 36.75 percent of the total revenues in fiscal year 2009. This amount is approximately the same as in 2008. All governmental activities general revenue support is 73.40 percent of total governmental revenues.

The School District's Funds

Information about the School District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$22,475,462 and expenditures of \$23,667,916. The general fund had a decrease in fund balance mainly due to an increase in property tax delinquencies and an increase in overall expenditures due to negotiated raises and normal step increases. Other Governmental Funds had an increase in fund balance due to the proceeds of the general obligation bonds which will be used to build new schools within the School District.

General Fund Budgeting Highlights

Budgeting is prescribed by the Ohio Revised Code. Essentially, the budget is the School District's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the Revised Code. During the course of fiscal year 2009, the School District amended its general fund budget numerous times to allow for insignificant amendments. Actual revenues received were slightly higher than the certification primarily due to the receipt of more miscellaneous revenue than expected. Final appropriations were \$250,035 less than original appropriations due mainly to the diligence of management to keep costs low while still providing the services the School District citizens expect.

Indian Creek Local School District
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The School District uses a site-based budgeting system designed to tightly control total site budgets but provide flexibility for site management. Building principals are given a per pupil allocation for textbook, instructional materials and equipment. HB 412 requires the School District to set aside three percent of certain general fund revenues for the purchase of textbooks and materials related to instruction which site-based budgets help to meet.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2009 balances compared to fiscal year 2008:

(Table 4)
 Capital Assets at June 30
 Net of Depreciation
 Governmental Activities

	2009	2008
Land	\$87,783	\$87,783
Construction in Progress	765,408	17,321
Land Improvements	279,471	357,669
Buildings and Improvements	2,973,285	2,819,159
Furniture and Fixtures	273,613	271,943
Vehicles	648,138	500,175
Total	\$5,027,698	\$4,054,050

For fiscal year 2009, capital assets increased \$973,648. This increase was due to an additional year of depreciation being taken offset by current year additions. During the current fiscal year, three school buses and several instructional and maintenance items were purchased for the School District. Ohio law requires school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for textbooks and instructional materials and supplies. For fiscal year 2009, this amounted to \$344,912 for each set aside. See Note 9 to the basic financial statements for additional information on the School District's capital assets and Note 19 for additional information regarding required set-asides.

Indian Creek Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

Debt

Table 5 summarizes the long-term liabilities outstanding:

(Table 5)
 Outstanding Long-Term Obligations

	Governmental Activities	
	2009	2008
School Facilities Bonds	\$11,816,754	\$0
Energy Conservation Bonds	595,648	659,756
<i>Total General Obligation Bonds</i>	12,412,402	659,756
Asbestos Abatement Loan	19,577	32,629
Capital Leases	255,433	109,493
<i>Totals</i>	\$12,687,412	\$801,878

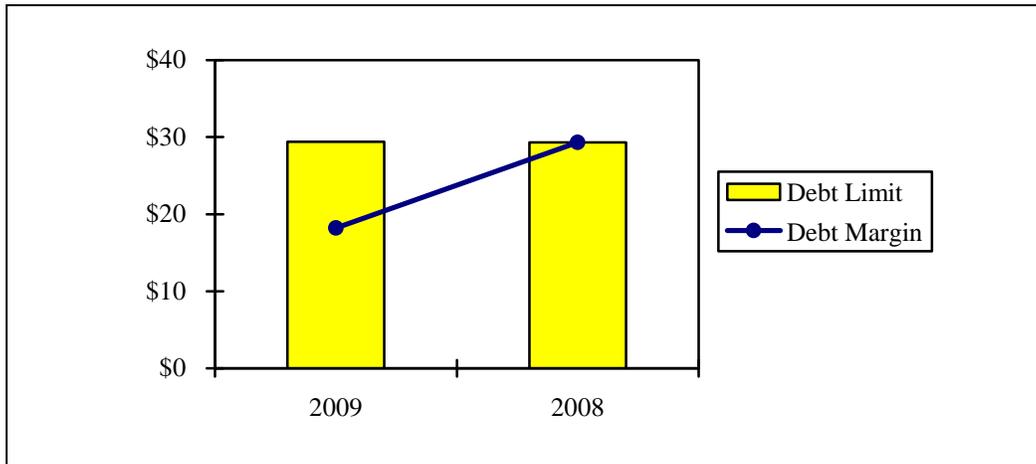
The School Facilities general obligation bonds were issued for the School District portion of the Ohio School Facilities Commission project. These bonds will be fully repaid in calendar year 2036. The Energy Conservation bonds were issued for the purpose of upgrading buildings and reducing energy consumption and will be fully retired in calendar year 2016. The Asbestos Abatement loan was for the purpose of removing asbestos around the School District and will be fully retired in calendar year 2010.

The School District's overall legal debt margin decreased to \$18.2 million. This is the additional amount of debt the School District could issue. The debt margin decreased from 2008 due to the issuance of the \$11,499,999 school facilities bond during fiscal year 2009. Additional information concerning debt issuances can be found in Note 18 to the basic financial statements.

Graph 1
 Legal Debt Margin
 (in millions)

	2009	2008
Overall Debt Limit	\$29.4	\$29.3
Overall Debt Margin	18.2	29.3

Indian Creek Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited



Challenges and Opportunities

Indian Creek Local School District has continued to maintain the highest standards of service to our students, parents and community. The School District is always presented with challenges and opportunities. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. Recent national events and their impact on the Indian Creek Local School District and the surrounding area are very much under review and analysis. Economic recession has had major impact on our industries. We have limited local industry, but we are a much diversified community with many residents working outside our School District in varying types of employment.

The School District is not without its share of challenges. The need for additional funds for operations is seen as the newest challenge for the School District the last couple fiscal years. Some of the challenges include the unpredictable future of State funding and the struggle to keep a competitive salary scale to retain quality personnel. Another example is seen in low interest rates being very good for issuing debt, but not attractive for maintaining investment revenues. This is evident from the large decrease in interest revenue during fiscal year 2009. And finally, actions of local and State governments continue to impact the School District. Like many school districts in the State of Ohio, the School District remains vigilant to financially meet the academic needs of all of the students as well as remain cost efficient in its operations.

As a result of the challenges mentioned, it is imperative the School District's management continue to carefully and prudently plan in order to meet the vision of the school District over the next several years. This vision is to provide all students with the opportunity to acquire the knowledge and skills to reach their potential within a secure and positive learning environment. In addition, the School District strives to assist students to become responsible citizens in an ever-changing society through effective programs and community involvement.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and 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 financial information contact, Ms. Denise Todoroff, Treasurer at Indian Creek Local School District, 587 Bantam Ridge Road, Wintersville, Ohio 43953.

Indian Creek Local School District

Statement of Net Assets

June 30, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$14,050,133
Cash and Cash Equivalents With Fiscal Agents	2,308,930
Accrued Interest Receivable	11,695
Intergovernmental Receivable	274,129
Materials and Supplies Inventory	90,795
Property Taxes Receivable	9,375,378
Deferred Charges	176,300
Nondepreciable Capital Assets	853,191
Depreciable Capital Assets, Net	<u>4,174,507</u>
<i>Total Assets</i>	<u>31,315,058</u>
Liabilities	
Accounts Payable	47,147
Accrued Wages and Benefits	1,893,405
Intergovernmental Payable	551,876
Matured Compensated Absences Payable	11,822
Accrued Interest Payable	49,548
Claims Payable	218,502
Deferred Revenue	6,830,899
Notes Payable	965,000
Long-Term Liabilities:	
Due Within One Year	496,196
Due in More Than One Year	<u>13,527,808</u>
<i>Total Liabilities</i>	<u>24,592,203</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	2,888,298
Restricted for:	
Capital Projects	1,337,838
Debt Service	469,670
Set Asides	69,324
Other Purposes	465,552
Unrestricted	<u>1,492,173</u>
<i>Total Net Assets</i>	<u><u>\$6,722,855</u></u>

See accompanying notes to the basic financial statements

Indian Creek Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2009

	Program Revenues				Net Revenue/(Expense) and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions		Governmental Activities
			Capital Grants		
Governmental Activities					
Instruction:					
Regular	\$10,090,205	\$1,250,646	\$1,122,951	\$613,951	(\$7,102,657)
Special	2,699,292	291,387	634,884	0	(1,773,021)
Vocational	288,256	39,481	0	0	(248,775)
Adult/Continuing	4,214	0	0	0	(4,214)
Student Intervention Services	363,390	0	328,458	0	(34,932)
Support Services:					
Pupils	872,324	96	84,242	0	(787,986)
Instructional Staff	939,684	0	435,672	0	(504,012)
Board of Education	18,306	0	0	0	(18,306)
Administration	1,625,272	0	86,223	0	(1,539,049)
Fiscal	426,778	0	33,792	0	(392,986)
Operation and Maintenance of Plant	2,123,305	0	0	36,278	(2,087,027)
Pupil Transportation	1,077,347	0	0	23,456	(1,053,891)
Central	92,031	0	24,678	0	(67,353)
Extracurricular Activities	423,070	206,251	6,916	0	(209,903)
Operation of Non-Instructional Services	253,480	0	219,502	0	(33,978)
Operation of Food Service	844,462	330,972	539,420	0	25,930
Interest and Fiscal Charges	247,155	0	0	0	(247,155)
Totals	<u>\$22,388,571</u>	<u>\$2,118,833</u>	<u>\$3,516,738</u>	<u>\$673,685</u>	<u>(16,079,315)</u>

General Revenues

Property Taxes Levied for:

General Purposes	7,642,450
Debt Service	584,603
Capital Outlay	186,033
Classroom Facilities Maintenance	112,372
Grants and Entitlements not Restricted to Specific Programs	8,718,818
Investment Earnings	133,877
Miscellaneous	34,581
Total General Revenues	<u>17,412,734</u>
Change in Net Assets	1,333,419
Net Assets Beginning of Year	<u>5,389,436</u>
Net Assets End of Year	<u><u>\$6,722,855</u></u>

See accompanying notes to the basic financial statements

Indian Creek Local School District

Balance Sheet

Governmental Funds

June 30, 2009

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$263,540	\$11,217,798	\$2,499,471	\$13,980,809
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	69,324	0	0	69,324
Accrued Interest Receivable	0	11,611	84	11,695
Intergovernmental Receivable	0	0	274,129	274,129
Interfund Receivable	47,724	0	0	47,724
Materials and Supplies Inventory	69,106	0	21,689	90,795
Property Taxes Receivable	8,120,569	0	1,254,809	9,375,378
<i>Total Assets</i>	<u>\$8,570,263</u>	<u>\$11,229,409</u>	<u>\$4,050,182</u>	<u>\$23,849,854</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$34,664	\$0	\$12,483	\$47,147
Accrued Wages and Benefits	1,551,445	0	341,960	1,893,405
Intergovernmental Payable	434,451	0	117,425	551,876
Interfund Payable	0	0	47,724	47,724
Accrued Interest Payable	0	0	4,005	4,005
Deferred Revenue	7,569,750	0	1,314,496	8,884,246
Matured Compensated Absences Payable	11,362	0	460	11,822
Notes Payable	0	0	965,000	965,000
<i>Total Liabilities</i>	<u>9,601,672</u>	<u>0</u>	<u>2,803,553</u>	<u>12,405,225</u>
Fund Balances:				
Reserved for Encumbrances	108,150	0	494,639	602,789
Reserved for Property Taxes	550,819	0	98,090	648,909
Reserved for Budget Stabilization	69,324	0	0	69,324
Unreserved, Undesignated, Reported in:				
General Fund (Deficit)	(1,759,702)	0	0	(1,759,702)
Special Revenue Funds	0	0	344,661	344,661
Debt Service Fund	0	0	368,776	368,776
Capital Projects Funds (Deficit)	0	11,229,409	(59,537)	11,169,872
<i>Total Fund Balances</i>	<u>(1,031,409)</u>	<u>11,229,409</u>	<u>1,246,629</u>	<u>11,444,629</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,570,263</u>	<u>\$11,229,409</u>	<u>\$4,050,182</u>	<u>\$23,849,854</u>

See accompanying notes to the basic financial statements

Indian Creek Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2009*

Total Governmental Funds Balances	\$11,444,629
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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.	5,027,698
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	1,895,570
Grants	157,777
Total	2,053,347

Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.	176,300
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The internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	2,090,428
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In the statement of activities, interest is accrued on outstanding general obligation bonds, whereas in governmental funds, an interest expenditure is reported when due.	(45,543)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(12,412,402)
Asbestos Removal Loan Payable	(19,577)
Compensated Absences	(1,336,592)
Capital Leases Payable	(255,433)
Total	(14,024,004)

<i>Net Assets of Governmental Activities</i>	<u><u>\$6,722,855</u></u>
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See accompanying notes to the basic financial statements

Indian Creek Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$6,716,817	\$0	\$717,181	\$7,433,998
Intergovernmental	8,684,099	613,951	3,478,527	12,776,577
Interest	23,800	26,141	8,348	58,289
Charges for Services	7,437	0	330,972	338,409
Tuition and Fees	1,544,156	0	37,358	1,581,514
Extracurricular Activities	571	0	198,339	198,910
Contributions and Donations	22,500	0	34,444	56,944
Miscellaneous	16,049	0	14,772	30,821
<i>Total Revenues</i>	<u>17,015,429</u>	<u>640,092</u>	<u>4,819,941</u>	<u>22,475,462</u>
Expenditures				
Current:				
Instruction:				
Regular	8,943,987	0	1,129,317	10,073,304
Special	2,135,406	0	563,059	2,698,465
Vocational	280,823	0	0	280,823
Adult/Continuing	0	0	4,214	4,214
Student Intervention Services	22,994	0	320,451	343,445
Support Services:				
Pupils	785,800	0	73,890	859,690
Instructional Staff	526,640	0	410,670	937,310
Board of Education	18,306	0	0	18,306
Administration	1,456,509	0	113,259	1,569,768
Fiscal	409,761	0	13,143	422,904
Operation and Maintenance of Plant	2,174,415	0	100,000	2,274,415
Pupil Transportation	1,162,323	0	0	1,162,323
Central	4,766	0	91,022	95,788
Extracurricular Activities	231,697	0	160,245	391,942
Operation of Non-Instructional Services	4,548	0	247,244	251,792
Operation of Food Service	0	0	837,656	837,656
Capital Outlay	14,082	258,841	617,036	889,959
Debt Service:				
Principal Retirement	113,250	0	64,108	177,358
Interest and Fiscal Charges	5,676	0	196,478	202,154
Issuance Costs	0	0	176,300	176,300
<i>Total Expenditures</i>	<u>18,290,983</u>	<u>258,841</u>	<u>5,118,092</u>	<u>23,667,916</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,275,554)</u>	<u>381,251</u>	<u>(298,151)</u>	<u>(1,192,454)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	11,599,999	11,599,999
Premium on Bonds	0	0	408,414	408,414
Discount on Bonds	0	0	(194,800)	(194,800)
Inception of Capital Lease	246,138	0	0	246,138
Transfers In	0	10,848,158	75,851	10,924,009
Transfers Out	(66,373)	0	(10,857,636)	(10,924,009)
<i>Total Other Financing Sources (Uses)</i>	<u>179,765</u>	<u>10,848,158</u>	<u>1,031,828</u>	<u>12,059,751</u>
<i>Net Change in Fund Balances</i>	<u>(1,095,789)</u>	<u>11,229,409</u>	<u>733,677</u>	<u>10,867,297</u>
<i>Fund Balances Beginning of Year</i>	<u>64,380</u>	<u>0</u>	<u>512,952</u>	<u>577,332</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$1,031,409)</u>	<u>\$11,229,409</u>	<u>\$1,246,629</u>	<u>\$11,444,629</u>

See accompanying notes to the basic financial statements

Indian Creek 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, 2009*

Net Change in Fund Balances -Total Governmental Funds	\$10,867,297
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:	
Capital Asset Additions	1,352,730
Current Year Depreciation	(379,082)
Total	973,648
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property Taxes	1,091,460
Grants	71,536
Total	1,162,996
Bond issuance costs are recognized as deferred charges and will be amortized over the life of the bonds on the statement of activities.	
	176,300
Other financing sources and uses in the governmental funds increase long-term liabilities in the statement of net assets	
General Obligation Bonds Issued	(11,599,999)
General Obligation Bond Premium	(408,414)
General Obligation Bond Discount	194,800
Inception of Capital Lease	(246,138)
Total	(12,059,751)
Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
	177,358
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due:	
Accrued Interest	(41,860)
Bond Accretion	(3,141)
Total	(45,001)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	
	163,800
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
	(83,228)
<i>Change in Net Assets of Governmental Activities</i>	\$1,333,419

See accompanying notes to the basic financial statements

Indian Creek Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$7,522,188	\$6,888,330	\$6,888,330	\$0
Intergovernmental	8,606,128	8,691,351	8,691,351	0
Interest	90,000	23,800	23,800	0
Charges for Services	10,000	7,437	7,437	0
Tuition and Fees	1,594,049	1,544,156	1,544,156	0
Rentals	50	0	0	0
Extracurricular Activities	0	571	571	0
Contributions and Donations	25,000	22,500	22,500	0
Miscellaneous	27,985	17,913	18,049	136
<i>Total Revenues</i>	17,875,400	17,196,058	17,196,194	136
Expenditures				
Current:				
Instruction:				
Regular	8,838,378	9,009,830	9,009,830	0
Special	2,103,529	2,129,472	2,129,472	0
Vocational	274,759	278,901	278,901	0
Student Intervention Services	101,228	10,649	10,649	0
Support Services:				
Pupils	816,920	816,482	816,482	0
Instructional Staff	441,539	545,293	545,293	0
Board of Education	13,007	18,162	18,162	0
Administration	1,525,758	1,465,696	1,465,696	0
Fiscal	443,752	410,747	410,747	0
Operation and Maintenance of Plant	2,492,427	2,249,112	2,249,112	0
Pupil Transportation	1,138,157	996,716	996,716	0
Central	6,045	5,715	5,715	0
Extracurricular Activities	222,630	227,424	227,424	0
Operation of Non-Instructional Services	316	131	131	0
Capital Outlay	11,002	15,082	15,082	0
Debt Service:				
Principal	13,052	13,052	13,052	0
<i>Total Expenditures</i>	18,442,499	18,192,464	18,192,464	0
<i>Excess of Revenues Under Expenditures</i>	(567,099)	(996,406)	(996,270)	136
Other Financing Sources (Uses)				
Advances In	65,745	65,745	65,745	0
Advances Out	(50,000)	(47,724)	(47,724)	0
Transfers Out	(91,758)	(66,373)	(66,373)	0
<i>Total Other Financing Sources (Uses)</i>	(76,013)	(48,352)	(48,352)	0
<i>Net Change in Fund Balance</i>	(643,112)	(1,044,758)	(1,044,622)	136
<i>Fund Balance Beginning of Year</i>	896,049	896,049	896,049	0
Prior Year Encumbrances Appropriated	350,136	350,136	350,136	0
<i>Fund Balance End of Year</i>	\$603,073	\$201,427	\$201,563	\$136

See accompanying notes to the basic financial statements

Indian Creek Local School District

Statement of Fund Net Assets

Internal Service Fund

June 30, 2009

	<u>Insurance</u>
Assets	
Cash and Cash Equivalents with Fiscal Agent	<u>\$2,308,930</u>
Liabilities	
Claims Payable	<u>218,502</u>
Net Assets	
Unrestricted	<u><u>\$2,090,428</u></u>

See accompanying notes to the basic financial statements

Indian Creek Local School District
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Fund
For the Fiscal Year Ended June 30, 2009*

	Insurance
Operating Revenues	
Charges for Services	\$2,765,208
Miscellaneous	3,760
<i>Total Operating Revenues</i>	2,768,968
Operating Expenses	
Purchased Services	735,955
Claims	1,948,985
<i>Total Operating Expenses</i>	2,684,940
<i>Operating Income</i>	84,028
Non-Operating Income	
Interest	79,772
<i>Change in Net Assets</i>	163,800
<i>Net Assets Beginning of Year</i>	1,926,628
<i>Net Assets End of Year</i>	\$2,090,428

See accompanying notes to the basic financial statements

Indian Creek Local School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2009

	Insurance
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$2,765,208
Cash Received from Other Sources	3,760
Cash Payments for Services	(735,955)
Cash Payments for Claims	(2,159,631)
<i>Net Cash Used for Operating Activities</i>	(126,618)
Cash Flows from Investing Activities	
Interest on Investments	79,772
<i>Net Decrease in Cash and Cash Equivalents</i>	(46,846)
<i>Cash and Cash Equivalents Beginning of Year</i>	2,355,776
<i>Cash and Cash Equivalents End of Year</i>	\$2,308,930
 Reconciliation of Operating Income to Net Cash Used for Operating Activities	
Operating Income	\$84,028
<i>Adjustments:</i>	
Decrease in Claims Payable	(210,646)
<i>Net Cash Used for Operating Activities</i>	(\$126,618)

See accompanying notes to the basic financial statements

Indian Creek Local School District

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2009

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$39,240	<u>\$53,054</u>
Liabilities		
Due to Students	<u>0</u>	<u>\$53,054</u>
Net Assets		
Held in Trust for Scholarships	<u>\$39,240</u>	

See accompanying notes to the basic financial statements

Indian Creek Local School District
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2009

	<u>Scholarship</u>
Additions	
Interest	\$1,519
Contributions and Donations	<u>5,070</u>
<i>Total Additions</i>	6,589
Deductions	
College Scholarships Awarded	<u>7,500</u>
<i>Change in Net Assets</i>	(911)
<i>Net Assets Beginning of Year</i>	<u>40,151</u>
<i>Net Assets End of Year</i>	<u><u>\$39,240</u></u>

See accompanying notes to the basic financial statements

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 1 - Description of the School District and Reporting Entity

Indian Creek Local School District (the School District) is organized under article VI, Section 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 was established in 1966 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 75 square miles. It is located in Jefferson County, and includes all of the Village of Wintersville, the Village of Mingo Junction, the Village of Bloomingdale, and Cross Creek Township and portions of the City of Steubenville, Island Creek, Salem, Wayne and Steubenville Townships. It is staffed by 120 non-certified personnel, 158 certified teaching personnel and 10 administrative employees to provide services to 2,382 students and other community members. The School District operates six instructional buildings, one administrative building and three bus garages.

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, agencies and offices that are not legally separate from the School District. For the Indian Creek Local School District, this includes the agencies and departments that provide the following services: general operations, food service, preschool 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 is associated with two jointly governed organizations, one insurance purchasing pool and one risk sharing pool. These organizations are the Ohio Mid-Eastern Regional Service Agency, Jefferson County Joint Vocational School, the Ohio School Boards Association Workers' Compensation Group Rating Program, and the Schools of Ohio Risk Sharing Authority. These organizations are presented in Note 20 and Note 21 of the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of 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 and

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

internal service fund 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 activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, 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 therefore are 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 activity is self-financing or draws from the general revenues of the School District.

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The funds of the School District are divided into three categories: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically 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:

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

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.

Classroom Facilities Capital Projects Fund The classroom facilities capital projects fund accounts for the proceeds of notes and bonds as well as grants for the building and equipping of classroom facilities.

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

Proprietary Funds Proprietary funds reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund is a self insurance fund that accounts for medical, surgical, and dental claims for School District employees.

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. The School District's only trust fund is a private purpose trust which accounts for a college scholarship program for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for student activities managed by the student body.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (i.e.; revenues) and decreases (i.e.; 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.g., revenues and other financing sources) and uses (i.g., 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.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the fund are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e.,

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service fund activity.

The private purpose trust fund is accounted for on a flow of 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 financial statements and the statements presented for the proprietary and fiduciary funds 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. Available means that the resources will be collected 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.

Nonexchange 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 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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 nonexchange 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 year-end: property taxes available as an advance, interest, tuition, grants, fees and rentals.

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, 2009, but which were levied to finance fiscal year 2010 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.

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

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 governmental funds.

E. Budgetary Data

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. Prior to year end, the School District requested and received an amended certificate of estimated resources that closely reflects actual revenue for the fiscal year. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original and final appropriations were passed by the Board of Education.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues by fund. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year. Prior to fiscal year-end, the School District passed an amended appropriation measure which matched appropriations to expenditures plus encumbrances in the majority of categories.

F. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

During fiscal year 2009, investments were limited to Federal Home Loan Bank Notes, Treasury Notes and STAROhio. Investments are reported at fair value which is based on quoted market prices.

STAR Ohio 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, 2009.

Indian Creek Local School District
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Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2009 amounted to \$23,800 which includes \$22,419 assigned from other School District funds.

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 presented on the financial statements as cash equivalents.

The School District participated in the OME-RESA insurance consortium for self-insurance. These monies are reflected on statement of net assets as “cash and cash equivalents with fiscal agents.” The Jefferson County Educational Service Center serves as the fiscal agent for the insurance consortium. The School District also uses a fiscal agent to account for debt service payments. The balances in these accounts are also presented as “cash and cash equivalents with fiscal agents.”

G. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent amounts required by State statute to be set-aside to create a reserve for budget stabilization. See Note 19 for additional information regarding set-asides.

H. Inventory

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

I. Capital Assets

The School District’s only capital assets are general capital assets. 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) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of capital assets by backtrending (i.e., estimating the current replacement cost of the capital asset to be capitalized and using an appropriate price-level index to deflate the cost of the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five 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.

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:

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Description	Governmental Activities Estimated Lives
Land Improvements	5 to 20 years
Buildings and Improvements	20 to 50 years
Furniture and Equipment	5 to 20 years
Vehicles	6 to 10 years

J. Bond Issuance Costs

Bond issuance costs for underwriting fees and bond insurance for the general obligation bonds are being amortized using the straight-line method over the life of the bonds on the government-wide statements. The straight-line method of amortization is not materially different from the effective-interest method.

As permitted by State Statute, the School District paid bond issuance costs from the bond proceeds and therefore does not consider that portion of debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

K. Bond Premiums and Discounts

On the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On the fund financial statements, bond premiums are received in the year the bonds are issued. On the governmental-wide financial statements, bond discounts are presented as a decrease of the face amount of the general obligation bonds payable. On the fund financial statements, bond discounts are expended in the year the bonds are issued.

L. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the statement of net assets.

M. 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 employer 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 vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees with at least five years of service with the School District.

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

The entire compensated absence liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the general fund.

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service fund are reported on the internal service fund 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, and are reported as obligations of the funds. However, claims and judgments, compensated absences, contractually required pension contributions and retirement incentives 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 the payment during the current fiscal year. Bonds and capital lease obligations are recognized as a liability on the governmental fund financial statements when due.

O. 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 or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for food service operations, classroom facilities maintenance and extracurricular activities.

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

P. Fund Balance Reserves

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. Fund balance reserves have been established for encumbrances, property taxes and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Q. Internal Activity

Transfers between governmental funds are eliminated on the Statement of Activities. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for the self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenue and expenses not meeting these definitions are reported as non-operating.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

T. 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 – Change in Accounting Principles

For fiscal year 2009, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations,” Statement No. 51, “Land and Other Real Estate Held as Investments by Endowments”, Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” and Statement No. 56, “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards.”

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effect of existing pollution by participating in pollution remediation activities such as site assessments and cleanup. The implementation of this statement did not result in any change to the School District’s financial statements.

GASB Statement No. 51 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the School District's financial statements.

Note 4 – Accountability

The general fund's deficit balance of \$1,031,409 resulted from adjustments for accrued liabilities. Management is currently analyzing the general fund to determine appropriate steps to alleviate the deficit. The permanent improvement capital projects fund's deficit balance of \$341,216 is the result of the issuance of short-term tax anticipation notes which are used to finance various capital projects. Once the notes are retired, the deficit will be eliminated.

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance 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 (Non-GAAP Basis) and Actual for the general fund is presented 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).

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis for the general fund.

	Net Change in Fund Balance
GAAP Basis	(\$1,095,789)
Net Adjustment for Revenue Accruals	180,765
Advance In	65,745
Net Adjustment for Expenditure Accruals	(16,318)
Advance Out	(47,724)
Adjustment for Encumbrances	(131,301)
Budget Basis	(\$1,044,622)

Note 6 - 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 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 can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio;

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

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 division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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.

At June 30, 2009, the School District's self-insurance internal service fund had a balance of \$2,308,930 with OME-RESA, a claims servicing pool (See Note 10). The money is held by the claims servicer in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB No. 40. The classification of cash and cash equivalents and investments for OME-RESA Self-Insurance Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Ohio Mid-Eastern Regional Educational Service Agency Self-Insurance Plan, Steubenville, Ohio 43952.

Deposits

Custodial Credit Risk 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, \$2,284,053 of the School District's bank balance of \$7,328,274 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

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

Indian Creek Local School District
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For the Fiscal Year Ended June 30, 2009

	Maturity			
		More Than One Year	More Than Two Year	
	Less Than One Year	But Less Than Two Years	But Less Than Three Years	Total
Federal Home Loan Bank Notes	0	0	1,595,063	1,595,063
Treasury Notes	0	700,137	1,298,913	1,999,050
STAROhio	3,600,140	0	0	3,600,140
Total Portfolio	3,600,140	700,137	2,893,976	7,194,253

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 operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than three years.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Notes and Treasury Notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Credit Risk The Federal Home Loan Bank Notes carry a rating of AAA by Standard & Poor's and STAR Ohio also carries a rating of AAA by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2009:

Investments	Percentage of Investments
Federal Home Loan Bank Notes	22.17 %
Treasury Notes	27.79
StarOhio	50.04

Note 7 - Property Taxes

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

Indian Creek Local School District
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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 2009 represents collections of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed value listed as of January 1, 2008, 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 2009 represents collections of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien December 31, 2007, were levied after April 1, 2008 and are collected in 2009 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.

Tangible personal property tax revenue received during calendar 2009 (other than public utility property tax) represents the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. 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 Jefferson 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, 2009, are available to finance fiscal year 2009 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, 2009 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 was 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, 2009 was \$550,819 in the general fund \$66,549 in the bond retirement debt service fund, \$12,616 in the classroom facilities maintenance special revenue fund and \$18,925 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2008 was \$722,332 in the general fund and \$11,019 in the bond retirement debt service 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 has been deferred.

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second		2009 First	
	Half Collections		Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$313,271,770	88.58 %	\$314,692,400	92.26 %
Public Utility Personal	12,365,490	3.50	12,574,110	3.69
Tangible Personal Property	<u>27,991,091</u>	<u>7.92</u>	<u>13,819,600</u>	<u>4.05</u>
Total	<u><u>\$353,628,351</u></u>	<u><u>100.00 %</u></u>	<u><u>\$341,086,110</u></u>	<u><u>100.00 %</u></u>
 Tax rate per \$1,000 of assessed valuation	 \$39.10		 \$42.65	

On November 4, 2008, the residents of the School District approved a 1.25 mill permanent improvement levy designated to acquire, construct, enlarge, renovate and finance permanent improvements. A 2.2 mills bond issue was also approved to construct school facilities under the Exceptional Needs Program of the Ohio School Facilities Commission. Tax revenue from this levy was received beginning in January 2009.

Note 8 - Receivables

Receivables at June 30, 2009, consisted of taxes and intergovernmental grants. 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 receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within on year.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Title VI-B Grant	\$133,005
Title I Grant	118,171
Reducing Class Size	20,010
Drug Free Schools	2,570
Title II-D	<u>373</u>
 Total	 <u><u>\$274,129</u></u>

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 9 - Capital Assets

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

Governmental Activities	Balance 06/30/08	Additions	Deductions	Balance 06/30/09
<i>Capital Assets not being Depreciated:</i>				
Land	\$87,783	\$0	\$0	\$87,783
Construction in Progress	17,321	765,408	(17,321)	765,408
<i>Total Capital Assets not being Depreciated</i>	105,104	765,408	(17,321)	853,191
<i>Capital Assets being Depreciated:</i>				
Land Improvements	1,572,265	0	0	1,572,265
Buildings and Improvements	7,564,106	305,721	0	7,869,827
Furniture and Equipment	984,616	52,784	0	1,037,400
Vehicles	1,681,779	246,138	0	1,927,917
<i>Total Capital Assets being Depreciated</i>	11,802,766	604,643	0	12,407,409
Less Accumulated Depreciation:				
Land Improvements	(1,214,596)	(78,198)	0	(1,292,794)
Buildings and Improvements	(4,744,947)	(151,595)	0	(4,896,542)
Furniture and Equipment	(712,673)	(51,114)	0	(763,787)
Vehicles	(1,181,604)	(98,175)	0	(1,279,779)
<i>Total Accumulated Depreciation</i>	(7,853,820)	(379,082) *	0	(8,232,902)
<i>Total Assets being Depreciated, Net</i>	3,948,946	225,561	0	4,174,507
<i>Governmental Activities Capital Assets, Net</i>	\$4,054,050	\$990,969	(\$17,321)	\$5,027,698

* Depreciation expense was charged to governmental functions as follow:

Instruction:	
Regular	\$119,106
Special	648
Support Services:	
Pupils	7,448
Administration	20,697
Operation and Maintenance of Plant	105,159
Pupil Transportation	95,184
Operation of Food Service	26,633
Extracurricular Activities	4,207
Total Depreciation Expense	\$379,082

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 10 - 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. During fiscal year 2009, the School District contracted with Schools of Ohio Risk Sharing Authority (SORSA) for various types of insurance. Coverage is as follows:

Coverage	Amount
Property (\$500 Deductible)	\$53,894,709
Earth movement limit (\$50,000 Deductible)	2,000,000
Flood limit (\$50,000 Deductible)	2,000,000
Equipment Breakdown (\$500 Deductible)	25,000,000
Crime Coverage (\$500 Deductible)	100,000
General Liability	4,000,000
Employee benefits liability	4,000,000
Employee stop gap liability	1,000,000
General annual aggregate	6,000,000
Fire legal liability	500,000
Medical payments - occurrence	5,000
Aggregate limit	25,000
Educator's Legal Liability (\$2,500 Deductible)	4,000,000
Automobile Liability	
Bodily injury & property damage - per occurrence	4,000,000
Medical payments - occurrence	5,000
Aggregate limit	25,000
Uninsured/underinsured motorist	1,000,000
Automobile physical damage (\$1,000 Deductible)	Actual Cash Value
Garage keepers physical damage (\$1,000 Deductible)	100,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from last year.

B. Worker's Compensation

For fiscal year 2008, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 21). 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.

Indian Creek Local School District
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For the Fiscal Year Ended June 30, 2009

C. Employee Insurance Benefits

The School District offers medical, surgical, and dental insurance to employees through a self-insurance internal service fund. The School District's monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The claims liability of \$218,502 reported in the internal service funds at June 30, 2009, is based on the requirements of the Governmental Accounting Standards Board Statement No. 30 which required that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the funds' claims liability amounts for 2008 and 2009 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2008	\$279,770	\$2,433,654	(\$2,284,276)	\$429,148
2009	429,148	1,948,985	(2,159,631)	218,502

Note 11 – Interfund Transfers and Balances

A. Interfund Transfers

The transfer from the general fund for \$66,373 to the educational management information systems special revenue fund was made to move unrestricted balances to support programs and projects accounted for in other funds. The transfers from the permanent improvement capital projects fund for \$9,478 to the general obligation bond retirement fund was made to meet a debt service requirement paid from the bond retirement fund. The transfer from the building capital projects fund for \$10,848,158 to the school facilities fund was made to move resources intended for a specific capital project that will be accounted for in a separate fund.

B. Interfund Balances

Interfund balances at June 30, 2009, consist of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$47,724. These loans were made to support programs and projects in various special revenue funds pending the receipt of grant money that will be used to repay the loans. These loans are expected to be repaid in one year.

Note 12 - Defined Benefit Pension Plans

A. School Employee 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.

Indian Creek Local School District
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For the Fiscal Year Ended June 30, 2009

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 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$211,524, \$202,270 and \$209,637 respectively; 42.79 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System

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 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site 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 credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2009, 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 2009, 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.

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were \$1,015,508, \$985,840, and \$945,286 respectively; 82.22 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$16,296 made by the School District and \$18,606 made by the plan members.

C. Social Security System

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

Note 13 - Postemployment Benefits

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, this amount was \$35,800. During fiscal year 2009, the School District paid \$43,053 in surcharge.

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, 2009, 2008, and 2007 were \$140,177, \$132,900 and \$108,660 respectively; 42.72 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 0.78 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$18,211, \$14,574, and \$14,255, respectively; 42.72 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

B. State Teachers Retirement System

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 post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$78,116, \$75,834, and \$72,714 respectively; 82.22 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

Note 14 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to thirty 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, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Any employee receiving retirement severance pay is entitled to a dollar amount equivalent to thirty-five percent of all accumulated sick leave credited to that employee up to 40 days for certified and 40 days for classified employees. Classified employees can receive payment for up to an additional 22 days for every day over an accumulated 200 days.

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to its employees. Coverage for administrators is \$100,000, certified teachers is \$50,000 and classified employees \$10,000 to \$50,000 depending on hours contracted per week. Life insurance is covered through MetLife Insurance.

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 15 – Construction and Other Significant Commitments

At June 30, 2009, the School District’s significant contractual commitments consisted of:

Company	Contract Amount	Amount Paid	Remaining on Contract
MKC Associates, Inc.	\$924,055	\$208,584	\$715,471
Bowen Foreman	824,429	37,090	787,339
Grae-Con Construction	735,005	469,381	265,624
Angelina Stone and Marble, LTD	145,278	0	145,278
Siebieda Architects	50,455	33,955	16,500
The Brewer-Garratt Company	44,429	0	44,429
Civil and Engineering Consultants, Inc.	27,000	0	27,000
Tri-State Security	10,566	0	10,566
Total	\$2,761,217	\$749,010	\$2,012,207

Note 16 - Capital Leases

During fiscal year 2009, the School District entered into a capital lease for three school buses. The School District also has existing leases for various copiers and office equipment. The lease obligation meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards Number 13, "Accounting for Leases," and has been recorded on the government-wide statements. The original amounts capitalized for the capital leases and the book value as of June 30, 2009 follows:

	<u>Amounts</u>
Asset:	
Furniture and Equipment	\$145,738
Vehicles	246,138
Less: Accumulated depreciation	<u>(60,838)</u>
Current Book Value	<u><u>\$331,038</u></u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2010	\$76,017
2011	73,679
2012	73,679
2013	<u>60,012</u>
Total Minimum Lease Payments	283,387
Less: Amount Representing Interest	<u>(27,956)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$255,431</u></u>

Indian Creek Local School District
Notes to the Basic Financial Statements
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Note 17 – Notes Payable

The School District’s note activity, including amounts outstanding and interest rates is as follows:

	Principal Outstanding <u>6/30/2008</u>	<u>Additions</u>	<u>Deductions</u>	Principal Outstanding <u>6/30/2009</u>
Middle School Building Fund 2009 4.5%				
Bond Anticipation Notes	\$0	\$1,600,000	\$1,600,000	\$0
Permanent Improvement Fund 2009 4.98 %				
Tax Anticipation Notes	<u>0</u>	<u>965,000</u>	<u>0</u>	<u>965,000</u>
Total Notes	<u><u>\$0</u></u>	<u><u>\$2,565,000</u></u>	<u><u>\$1,600,000</u></u>	<u><u>\$965,000</u></u>

On December 10, 2008, the School District issued \$1,600,000 in bond anticipation notes to expedite the Ohio Schools Facility building project to build the new middle school. The interest rate is 4.5 percent and the notes matured on June 12, 2009. The bond anticipation note was paid from the middle school building capital projects fund with proceeds from the bond issue.

On March 20, 2009, the School District issued \$965,000 in permanent improvement levy tax anticipation notes for the purpose of building the Multi-Purpose Facility and for the Wintersville Elementary Masonry repair project. The coupon interest rate is 4.98 percent and the notes mature on December 1, 2018. The tax anticipation notes will be paid from the permanent improvement capital projects fund with property tax revenues. Principal and interest payments to retire the tax anticipation notes are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$86,174	\$45,912	\$132,086
2011	88,320	41,567	129,887
2012	90,519	37,114	127,633
2013	92,773	32,550	125,323
2014	95,083	27,872	122,955
2015-2019	<u>512,131</u>	<u>65,016</u>	<u>577,147</u>
Total	<u><u>\$965,000</u></u>	<u><u>\$250,031</u></u>	<u><u>\$1,215,031</u></u>

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 18 - Long-Term Obligations

Original issue amounts and interest rates of the School District's debt issues were as follows:

Debt Issue	Interest Rate	Original Issue	Year of Maturity
2009 School Facilities Construction Bonds:			
Capital Interest Serial Bonds	2.50% to 3.50%	\$2,285,000	2019
Capital Appreciation Bonds	33.63%	44,999	2017
Current Issue Term Bonds	4.37% to 5.12%	9,270,000	2036
Energy Conservation Bonds - 2002	4.97%	984,816	2016
Asbestos Removal Loan - 1993	0.00%	234,965	2010

The changes in the School District's long-term obligations during the year consist of the following:

	Principal Outstanding 6/30/08	Additions	Deductions	Principal Outstanding 6/30/09	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds:					
School Facilities Bonds					
Serial Bonds	\$0	\$2,285,000	\$0	\$2,285,000	\$285,000
Capital Appreciation Bonds	0	44,999	0	44,999	0
Accretion	0	3,141	0	3,141	0
Term Bonds	0	9,270,000	0	9,270,000	0
Premium on Bonds	0	408,414	0	408,414	0
Discount on Bonds	0	(194,800)	0	(194,800)	0
<i>Total School Facilities Bonds</i>	0	11,816,754	0	11,816,754	285,000
Energy Conservation Bonds	659,756	0	64,108	595,648	67,333
<i>Total General Obligation Bonds</i>	659,756	11,816,754	64,108	12,412,402	352,333
Other Long Term Obligations					
Asbestos Removal Loan	32,629	0	13,052	19,577	13,052
Capital Leases	109,493	246,138	100,198	255,433	64,910
Compensated Absences	1,253,364	160,862	77,634	1,336,592	65,901
<i>Total General Long-Term Obligations</i>	<u>\$2,055,242</u>	<u>\$12,223,754</u>	<u>\$254,992</u>	<u>\$14,024,004</u>	<u>\$496,196</u>

Capital lease obligations will be paid from the general fund. Compensated absences will be paid from the general fund and the food service, auxiliary services, public school preschool, poverty based assistance, title VI-B, title I, drug free schools, preschool and improving teacher quality special revenue funds.

On May 30, 1993, the School District obtained a loan in the amount of \$234,965 for the purpose of removing asbestos. The loan was issued with a zero percentage interest rate for an eighteen year period with a final maturity of November 30, 2010. The loan will be retired from the general fund.

Indian Creek Local School District
Notes to the Basic Financial Statements
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On May 20, 2002, the School District issued bonds in the amount of \$984,816 for the purpose of upgrading buildings and reducing energy consumption. The bonds were issued at a 4.97 percent interest rate for fifteen years. The bonds will be retired from the bond retirement debt service fund.

On March 17, 2009, the School District issued \$11,599,999 in school facilities construction bonds, which included serial, term and capital appreciation (deep discount) bonds in the amounts of \$2,285,000, \$9,270,000 and \$44,999, respectively. The bonds were issued with at both a premium of \$408,414 and a discount of \$194,800. The school facilities construction bonds were issued for the purpose of building new schools within the Indian Creek Local Schools system. The bonds were issued for a twenty-eight year period with final maturity at December 1, 2036. The bonds will be retired from the bond retirement debt service fund.

The serial, capital appreciation and current issue term bonds remained outstanding at June 30, 2009. The capital appreciation bonds were originally sold at a discount of \$525,001, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2016 and 2017.

The maturity amount of outstanding capital appreciation bonds at June 30, 2009 is \$570,000. The accretion recorded for 2009 was \$3,141, for a total outstanding bond liability of \$48,140 at June 30, 2009.

The term bonds maturing on December 1, 2024, 2029, 2034, 2036 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:

Year	Issue			
	\$1,835,000	\$2,485,000	\$3,330,000	\$1,620,000
2020	\$325,000	\$0	\$0	\$0
2021	340,000	0	0	0
2022	375,000	0	0	0
2023	390,000	0	0	0
2025	0	445,000	0	0
2026	0	465,000	0	0
2027	0	490,000	0	0
2028	0	530,000	0	0
2030	0	0	585,000	0
2031	0	0	630,000	0
2032	0	0	665,000	0
2033	0	0	695,000	0
2035	0	0	0	790,000
Total	\$1,430,000	\$1,930,000	\$2,575,000	\$790,000
Stated Maturity	12/1/2024	12/1/2029	12/1/2034	12/1/2036

The remaining principal amount of the term bonds (\$405,000, \$555,000, \$755,000, and \$830,000) will mature at the stated maturity.

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

The School District's overall legal debt margin was \$18,176,221 with an unvoted debt margin of \$326,010 at June 30, 2009. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2009, are as follows:

Fiscal Year	General Obligation Bonds					
	Serial		Capital Appreciation		Term	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$285,000	\$64,794	\$0	\$0	\$0	\$447,844
2011	210,000	57,894	0	0	0	447,844
2012	215,000	52,581	0	0	0	447,844
2013	220,000	46,594	0	0	0	447,844
2014	245,000	39,619	0	0	0	447,844
2015-2019	795,000	113,858	44,999	525,001	0	2,239,220
2020-2024	315,000	5,512	0	0	1,430,000	2,119,125
2025-2029	0	0	0	0	2,335,000	1,669,972
2030-2034	0	0	0	0	3,130,000	1,012,431
2035-2036	0	0	0	0	2,375,000	185,950
Total	\$2,285,000	\$380,852	\$44,999	\$525,001	\$9,270,000	\$9,465,918

Fiscal Year	Asbestos Loan	Energy Conservation Bond	
	Principal	Principal	Interest
2010	\$13,052	\$67,333	\$28,778
2011	6,525	70,722	25,390
2012	0	74,280	21,831
2013	0	78,017	18,093
2014	0	81,943	14,168
2015-2019	0	223,353	16,923
Total	\$19,577	\$595,648	\$125,183

Note 19 - Set-Asides

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 year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2009, only the unspent portion of certain workers' compensation refunds continues to be required to be set-aside.

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

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

	Textbooks	Capital	Budget
	Instructional	Improvement	
	Materials		Reserve
	Reserve	Reserve	Reserve
Set-aside Reserve Balance as of June 30, 2008	(\$466,201)	\$0	\$69,324
Current Year Set-aside Requirement	344,912	344,912	0
Offsets During the Fiscal Year	0	(116,300)	0
Qualifying Disbursements	<u>(438,314)</u>	<u>(816,730)</u>	<u>0</u>
Totals	<u>(\$559,603)</u>	<u>(\$588,118)</u>	<u>\$69,324</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>(\$559,603)</u>	<u>\$0</u>	<u>\$69,324</u>
Set-aside Reserve Balance as of June 30, 2009	<u>\$0</u>	<u>\$0</u>	<u>\$69,324</u>

The School District had qualifying disbursements and offsets during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirements of future fiscal years. Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years. The total reserve balance for the three set-asides at the end of the fiscal year was \$69,324.

Note 20 - Jointly Governed Organizations

Ohio Mid-Eastern Regional Education Service Agency (OME-RESA) The Ohio Mid-Eastern Regional Educational Service Agency was created as a regional council of governments pursuant to State Statutes. OME-RESA has twelve participating counties consisting of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muckingum, Monroe, Noble and Tuscarawas Counties. OME-RESA operates under the direction of a Board consisting of one representative from each of the participating school district's elected boards, which possesses its own budgeting and taxing authority. OME-RESA provides financial accounting services, educational management information, internet access and cooperative purchasing services to member districts. The School District participates in the natural gas sales service program. This program allows schools to purchase natural gas at reduced rates. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage and any necessary adjustments are made. During fiscal year 2009, the total amount paid to OME-RESA from the School District was \$216,466 for cooperative gas purchasing services and \$87,310 for financial accounting services, educational management information, and internet access. The Jefferson County Educational Service Center serves as the fiscal agent and receives funding from the State Department of Education. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2023 Sunset Blvd., Steubenville, Ohio 43952.

Indian Creek Local School District
Notes to the Basic Financial Statements
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Jefferson County Joint Vocational School The Jefferson County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school district's elected boards, which possesses its own budgeting and taxing authority. During fiscal year 2009, the School District made no contributions to the Vocational School District. To obtain financial information write to the Jefferson County Joint Vocational School, Treasurer, at 1509 County Highway 22A, Bloomingdale, Ohio 43910.

Note 21 – Public Entity Pools

A. Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group Rating Program The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (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 Post President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) Self-Insurance Plan The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) Self Insurance Plan, a risk-sharing, claims servicing, and insurance purchasing pool comprised of seventy-five members, including two insurance consortiums. Each participant appoints a member of the insurance plans' assembly. The Plans' business and affairs are conducted by a nine member Board of Directors elected from the assembly. The plan offers medical, dental and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit which can range from \$35,000 to \$100,000 under which the individual member is responsible for all claims through the claims servicing pool. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and \$400,000, and all claims between the deductible and the \$400,000 are paid from the internal shared risk pool. The internal pool is not owned by the participants. All participants pay a premium rate that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. All participants pay an additional fee for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. For all individual claims exceeding \$400,000, stop loss coverage is purchased, as well as for an annual total plan aggregate claims amount. All plan participants also pay a monthly administration fee for fiscal services and third party administrative services. The plan also purchases fully insured life insurance for plan participants provided by Met Life.

Indian Creek Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

B. Shared Risk Pool

Schools of Ohio Risk Sharing Authority The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a risk sharing pool with over 65 members. SORSA is a 100 percent member-owned, non-profit insurance risk pool owned and governed by the school district members. SORSA is governed by a Board of Directors comprised of representatives of school districts that participate in the program.

SORSA has agreements with several separate organizations whereby each provides certain administrative, executive, accounting, marketing, underwriting, claim settlement, legal counsel and other services to SORSA and its members. Pursuant to participation agreements with SORSA, each member school district agrees to pay all funding rates associated with the coverage elected. This coverage includes comprehensive general liability, property insurance and automobile liability insurance. To obtain financial information write to the Schools of Ohio Risk Sharing Authority, Executive Director, at 8050 North High Street, Suite 160, Columbus, Ohio 43235-6483.

Note 22 - Contingencies

A. Grants

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

B. Litigation

The School District is not a party to any legal proceedings.

**INDIAN CREEK LOCAL SCHOOL DISTRICT
JEFFERSON COUNTY**

**FEDERAL AWARDS EXPENDITURE SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Education.</i>				
<i>Child Nutrition Cluster:</i>				
Non-Cash Assistance (Food Distribution)		10.555	\$42,888	\$42,888
Cash Assistance:				
National School Breakfast Program	05-PU-08	10.553	121,152	121,152
National School Lunch Program	04-PU-08	10.555	455,494	455,494
Total U.S Department of Agriculture - Nutrition Cluster (Cash and Non-cash)			619,534	619,534
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed Through Ohio Department of Education.</i>				
Special Education Cluster:				
Special Education Grants to States (IDEA Part B)	6B-SF-09 6B-SF-08	84.027	369,575 60,484	389,520 18,122
Total Special Education Grants to States:			430,059	407,642
Special Education - Preschool Grants	PG-S1-09 PG-S1-08	84.173	23,355 1,425	23,355 537
Total Special Education - Preschool Grants:			24,780	23,892
Total Special Education Cluster:			454,839	431,534
Title II A - Improving Teacher Quality	TRS1-2009 TRS1-2008	84.367	123,228 20,554	119,175 20,474
Total Title II A - Improving Teacher Quality			143,782	139,649
Title IID Education Technology State Grants	TJ-SI-2009 TJ-SI-2008	84.318	4,709 2,898	4,709 232
Total Title IID Education Technology State Grants:			7,607	4,941
Grants to Local Educational Agencies (ESEA Title I)	C1-S1-09 C1-S1-08	84.010	373,477 97,827	373,436 93,769
Total Grants to Local Educational Agencies (ESEA Title I)			471,304	467,205
State Grants for Innovative Program	C2-S1-09 C2-S1-08	84.298	2,334 4,027	2,289 489
Total State Grants for Innovative Program:			6,361	2,778
Safe and Drug-Free Schools Grant to States	DR-S1-09 DR-S1-08	84.186	7,345 3,551	8,582 2,587
Total Safe and Drug-Free Schools Grant			10,896	11,169
Total U.S. Department of Education			\$1,094,789	\$1,057,276
<u>CORPORATION FOR NATIONAL & COMMUNITY SERVICE</u>				
<i>Passed through the Ohio Department of Education.</i>				
Learn & Serve America -School and Community Based Services	SV-SI-09 SV-SI-08	94.004	9,511 2,165	10,000 0
Total Corporation for National & Community Service			11,676	10,000
Total Federal Awards			\$1,725,999	\$1,686,810

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

**INDIAN CREEK LOCAL SCHOOL DISTRICT
JEFFERSON COUNTY**

**NOTES TO FEDERAL AWARDS EXPENDITURES SCHEDULE
JUNE 30, 2009**

A. SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the Indian Creek Local School District (the District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

B. CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U. S. Department of Agriculture with similar State Grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

C. FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food commodities it receives from the U.S. Department of Agriculture. The District reports commodities consumed on the Schedule at the fair value.



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*

Indian Creek Local School District
Jefferson County
587 Bantam Ridge Road
Wintersville, Ohio 43953

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 Indian Creek Local School District, Jefferson County, (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 5, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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

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

We noted a certain internal control matter that we reported to the District's management in a separate letter dated January 5, 2010.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2009-001.

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

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

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

Mary Taylor, CPA
Auditor of State

January 5, 2010



Mary Taylor, CPA

Auditor of State

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

Indian Creek Local School District
Jefferson County
587 Bantam Ridge Road
Wintersville, Ohio 43953

To the Board of Education:

Compliance

We have audited the compliance of Indian Creek Local School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The 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 District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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Indian Creek Local School District
Jefferson County
Independent Accountants' Report on Compliance with
Requirements Applicable to Each Federal Program and on
Internal Control Over Compliance in Accordance with OMB Circular A-133

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

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

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

However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated January 5, 2010.

We intend this report solely for the information and use of the audit committee, management, 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

January 5, 2010

**INDIAN CREEK LOCAL SCHOOL DISTRICT
JEFFERSON COUNTY
JUNE 30, 2009**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2009-001

Finding For Recovery Repaid Under Audit

The negotiated agreement between the Indian Creek Local School Board of Education and the Ohio Association of Public Employees AFSCME Local #4/AFL-CIO and Local #460, Article 9, Section 23 states that "the Board will pay thirty-five percent (35%) of all accumulated sick leave at the time of retirement with a maximum of forty days. Every day over an accumulated 200 days will earn one day up to a total of an extra twenty-two days."

Sandra Villamagna, Secretary, received an overpayment of severance pay as follows:

Description	Daily Rate	Total
222 days of accumulated sick days * 35%/ max 40 days	\$102.24	\$4,089.60
222 days – 200 days = 22 days	\$102.24	<u>2,249.28</u>
Total Due (62 days)		\$6,338.88
Total Paid (66 days)	\$102.24	<u>\$6,747.84</u>
Overpayment		<u>\$408.96</u>

In accordance with the forgoing facts, and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Sandra Vilamagna, Secretary, in the amount of \$408.96 and in favor of the General Fund of Indian Creek Local School District This amount has been paid by Sandra Villamagna to the General Fund of the Indian Creek Local School District.

Officials’ Response

The District concurs with the overpayment in severance pay of \$408.96. Ms. Vilamagna has repaid the amount and it has been deposited in the General Fund.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None	
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Officials’ Response

None



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Indian Creek Local School District
Jefferson County
587 Bantam Ridge Road
Wintersville, Ohio 43953

To the Board of Education:

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

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

1. We noted the Board adopted an anti-harassment policy in July 2003 and revised it at its meeting on October 18, 2007.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;

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- (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

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



Mary Taylor, CPA
Auditor of State

January 5, 2010



Mary Taylor, CPA
Auditor of State

INDIAN CREEK LOCAL SCHOOL DISTRICT
JEFFERSON 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
FEBRUARY 9, 2010