



Dave Yost • Auditor of State

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Sciotoville Elementary Academy
Scioto County
224 Marshall Avenue
Sciotoville, Ohio 45662

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Sciotoville Elementary Academy, Scioto County, Ohio (the Academy), a component unit of the Sciotoville Community School, Scioto County, Ohio, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Academy's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Academy's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sciotoville Elementary Academy, Scioto County, Ohio, as of June 30, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2014, on our consideration of the Academy'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

April 23, 2014

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

The discussion and analysis of the Sciotoville Elementary Academy's (the "Academy") financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

Financial Highlights

- Net position decreased \$91,803. This was due to despite the Academy seeing an increase in overall revenues during fiscal year 2013, expenses once again outpaced revenues.
- Total assets decreased \$29,771. Current Assets increased primarily due to an increase in Cash and Cash Equivalents. This was primarily the result of an increase in State Foundation monies received. Depreciable Capital Assets, Net decreased mainly due to current year depreciation exceeding current year asset additions. In addition, Intergovernmental Receivables decreased as a result of the loss of one time Education Jobs grant monies.
- Total liabilities increased \$62,032 mainly due to increases in accounts payable and accrued wages and benefits. The increase in accrued wages and benefits stemmed from the Academy paying insurance premiums later than normal, thus creating an additional liability compared to fiscal year 2012.

Using this Financial Report

This report consists of three parts, Management's Discussion and Analysis (MD&A), the basic financial statements, and notes to those statements. The basic financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position answer the question, "How did we do financially during fiscal year 2013?" These statements are prepared using the economic resources measurement focus. With this measurement focus, all assets and liabilities are reported, both short and long-term. These statements use the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the fiscal year, regardless of when the cash is received or paid.

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

Table 1 provides a summary of the Academy's net position for fiscal year 2013 and fiscal year 2012:
(Table 1)
Net Position

	2013	2012	Increase (Decrease)
Assets:			
Current Assets	\$656,426	\$640,862	\$15,564
Depreciable Capital Assets, Net	347,908	393,243	(45,335)
<i>Total Assets</i>	<u>1,004,334</u>	<u>1,034,105</u>	<u>(29,771)</u>
Liabilities:			
Current Liabilities	181,964	119,932	62,032
<i>Total Liabilities</i>	<u>181,964</u>	<u>119,932</u>	<u>62,032</u>
Net Position:			
Invested in Capital Assets	347,908	393,243	(45,335)
Restricted for Other Purposes	273,089	308,086	(34,997)
Unrestricted	201,373	212,844	(11,471)
<i>Total Net Position</i>	<u><u>\$822,370</u></u>	<u><u>\$914,173</u></u>	<u><u>(\$91,803)</u></u>

Total assets decreased \$29,771. Current Assets increased primarily due to an increase in Cash and Cash Equivalents. This was primarily the result of an increase in State Foundation monies received.

Depreciable Capital Assets, Net decreased \$45,335 mainly due to current year depreciation exceeding current year asset additions.

Total Liabilities increased \$62,032 mainly due to increases in accounts payable and accrued wages and benefits. The increase in accrued wages and benefits stemmed from the School District paying insurance premiums later than normal, thus creating an additional liability compared to fiscal year 2012.

Total Net Position decreased \$91,803 primarily due to current year depreciation exceeding current year asset additions and an increase in liabilities. Also, despite the Academy seeing an increase in overall revenues during fiscal year 2013, expenses once again outpaced revenues.

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

Table 2 shows the changes in net position for fiscal year 2013 and fiscal year 2012, as well as a listing of revenues and expenses.

(Table 2)
Change in Net Position

	2013	2012	Increase (Decrease)
Operating Revenues:			
Foundation Payments	\$1,096,730	\$932,646	\$164,084
Other Revenues	0	5,488	(5,488)
Non-Operating Revenues:			
Other Federal and State Grants	132,954	167,168	(34,214)
Other	610	225	385
<i>Total Revenues</i>	<u>1,230,294</u>	<u>1,105,527</u>	<u>124,767</u>
Operating Expenses:			
Salaries	791,719	748,353	43,366
Fringe Benefits	224,680	244,786	(20,106)
Purchased Services	135,433	104,004	31,429
Materials and Supplies	58,436	33,251	25,185
Depreciation	49,954	49,031	923
Other Expenses	61,875	70,981	(9,106)
<i>Total Expenses</i>	<u>1,322,097</u>	<u>1,250,406</u>	<u>71,691</u>
 Change in Net Position	 (91,803)	 (144,879)	 53,076
 <i>Net Position at Beginning of Year</i>	 <u>914,173</u>	 <u>1,059,052</u>	 <u>(144,879)</u>
 <i>Net Position at End of Year</i>	 <u><u>\$822,370</u></u>	 <u><u>\$914,173</u></u>	 <u><u>(\$91,803)</u></u>

Net Position decreased \$91,803 from fiscal year 2012 to fiscal year 2013. Despite the Academy seeing an increase in overall revenues during fiscal year 2013, expenses once again outpaced revenues with the largest expenses being salaries and fringe benefits.

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

Capital Assets

At the end of fiscal year 2013, the Academy had \$347,908 invested in land improvements, buildings and improvements, and furniture, fixtures and equipment, which represented a decrease of \$45,335 compared to fiscal year 2012. The decrease was a result of current year depreciation exceeding current year asset additions.

For more information on capital assets see Note 5 to the basic financial statements.

Current Issues

On August 8, 2013 the Academy approved separation with their Treasurer and approved an agreement with the South Central Ohio Educational Service Center to provide full financial services for fiscal year 2014.

Contacting the Academy's Financial Management

This financial report is designed to provide our citizens with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have questions about this report or need additional information, contact Andrew T. Riehl, Treasurer by calling (740) 354-0234, writing to the Sciotoville Elementary Academy, 224 Marshall Street, Sciotoville, Ohio 45662, or e-mail at ariehl@scoesc.org.

SCIOTOVILLE ELEMENTARY ACADEMY

Statement of Net Position

June 30, 2013

Assets:

Current Assets:

Cash and Cash Equivalents	\$539,409
Intergovernmental Receivables	117,017
<i>Total Current Assets</i>	<u>656,426</u>

Non-Current Assets:

Capital Assets:	
Depreciable Capital Assets, Net	<u>347,908</u>
<i>Total Assets</i>	<u>1,004,334</u>

Liabilities:

Current Liabilities:

Accounts Payable	18,171
Accrued Wages and Benefits Payable	133,076
Intergovernmental Payable	30,706
Undistributed Monies	11
<i>Total Liabilities</i>	<u>181,964</u>

Net Position:

Invested in Capital Assets	347,908
Restricted for Other Purposes	273,089
Unrestricted	<u>201,373</u>
<i>Total Net Position</i>	<u><u>\$822,370</u></u>

See accompanying notes to the basic financial statements

SCIOTOVILLE ELEMENTARY ACADEMY

Statement of Revenues, Expenses and
Changes in Net Position
For the Fiscal Year Ended June 30, 2013

Operating Revenues:	
Foundation Payments	<u>\$1,096,730</u>
Operating Expenses:	
Salaries	791,719
Fringe Benefits	224,680
Purchased Services	135,433
Materials and Supplies	58,436
Depreciation	49,954
Other Expenses	<u>61,875</u>
<i>Total Operating Expenses</i>	<u>1,322,097</u>
<i>Operating Loss</i>	<u>(225,367)</u>
Non-Operating Revenues:	
Other Federal and State Grants	132,954
Other	<u>610</u>
<i>Total Non-Operating Revenues</i>	<u>133,564</u>
<i>Change in Net Position</i>	(91,803)
<i>Net Position at Beginning of Year</i>	<u>914,173</u>
<i>Net Position at End of Year</i>	<u><u>\$822,370</u></u>

See accompanying notes to the basic financial statements

SCIOTOVILLE ELEMENTARY ACADEMY

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2013

Increase (Decrease) in Cash and Cash Equivalents:

Cash Flows from Operating Activities:

Cash Received from Others	\$2,934
Cash Received from Foundation Payments	1,096,730
Cash Payments to Suppliers for Goods and Services	(164,083)
Cash Payments to Employees for Services	(759,030)
Cash Payments for Employee Benefits	(212,067)
Cash Payments to Others	<u>(72,785)</u>

Net Cash Used for Operating Activities (108,301)

Cash Flows from Noncapital Financing Activities:

Other Non-Operating Revenues	781
Other Federal and State Grants Received	<u>194,917</u>

Net Cash Provided by Noncapital Financing Activities 195,698

Cash Flows from Capital and Related Financing Activities:

Payments for Capital Acquisitions	<u>(4,619)</u>
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Net Increase in Cash and Cash Equivalents 82,778

Cash and Cash Equivalents at Beginning of Year 456,631

Cash and Cash Equivalents at End of Year \$539,409
(continued)

SCIOTOVILLE ELEMENTARY ACADEMY

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2013

(continued)

Reconciliation of Operating Loss to Net

Cash Used for Operating Activities:

Operating Loss (\$225,367)

Adjustments to Reconcile Operating

Loss to Net Cash Used for Operating Activities:

Depreciation 49,954

Changes in Assets and Liabilities:

Decrease in Accounts Receivable 2,735

Decrease in Prepaid Items 2,345

Increase in Accounts Payable 16,557

Increase in Accrued Wages and Benefits Payable 46,771

Increase in Intergovernmental Payable 507

Decrease in Compensated Absences Payable (1,469)

Decrease in Undistributed Monies (334)

Total Adjustments 117,066

Net Cash Used for Operating Activities (\$108,301)

See accompanying notes to the basic financial statements

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Sciotoville Elementary Academy of Sciotoville, Inc. (the "Academy") is a nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to address the needs of students in grades Pre-K through sixth. The Academy, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The Academy may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy. Sciotoville Elementary Academy qualifies as an exempt organization under Section 501c (3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy's tax exempt status. Due to the Board of Directors of the Sciotoville Community School serving as the Board of Directors of the Academy, the Academy is considered a component unit of the Sciotoville Community School and is included as a blended component unit in its general purpose external financial statements.

On May 1, 2011, the Thomas B. Fordham Institute signed a contract with the School to be the School's Sponsor effective July 1, 2011. On May 30, 2013 the Board of Directors approved a two year renewal agreement for the period of July 1, 2013 through June 30, 2015. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The Academy operates under the direction of a five-member Board of Directors. The Board members are elected at-large by the citizens of the community for staggered four-year terms. The Board of Directors is responsible for carrying out the provisions of the contract which include, but are not limited to, State-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The Board of Directors controls the Academy's two instructional/support facilities staffed by five non-certified and 12 certificated full-time teaching personnel who provide services to 141 students.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Academy have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Academy's accounting policies are described below.

Basis Of Presentation

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

During the fiscal year, the Academy segregates transactions related to certain Academy functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. For financial reporting, the Academy uses a single enterprise fund presentation.

Enterprise fund reporting focuses on the determination of the change in net position, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

The accounting and financial reporting treatment of the Academy's financial transactions is determined by the Academy's measurement focus. Enterprise fund accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows provides information about how the Academy finances and meets its cash flow needs.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Basis of accounting relates to the timing of the measurements made. The Academy's financial statements are prepared using the accrual basis of accounting.

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

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

Expenses are recognized at the time they are incurred.

Cash and Cash Equivalents

The Academy's Business Manager accounts for all monies received by the Academy. The Academy maintains a depository account for all funds of the Academy. This account is presented on the Statement of Net Position as "Cash and Cash Equivalents". For purposes of the Statement of Net Position, investments with an original maturity of three months or less at the time they are purchased by the Academy are considered to be cash equivalents.

Capital Assets

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The Academy maintains a capitalization threshold of \$1,000 for all capital assets other than computers. The capitalization threshold for computers is \$500. The Academy does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings and Improvements	50 years
Furniture, Fixtures and Equipment	3 - 10 years

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if employees' rights to receive compensation are attributable to services already rendered and it is probable that the Academy will compensate the employees for the benefits through paid time off or some other means. The Academy 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 Academy 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 Academy's termination policy. The Academy records a liability for accumulated unused sick leave for employees with at least five years of current service for all positions (including certified and non-certified staff). Since the Academy has not been in operation for five years, there is no sick leave benefits liability.

Net Position

Net Position represents the difference between total assets and total liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Position restricted for other purposes include federal and State grants restricted to expenditures for specified purposes.

The Academy applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the Academy and its Sponsor. The contract between the Academy and its Sponsor does not prescribe a budgetary process for the Academy; therefore, no budgetary information is presented in the financial statements.

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the Academy. These revenues consist of certain intergovernmental revenues. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Academy. Revenues and expenses not meeting this definition are reported as non-operating.

Intergovernmental Revenues

The Academy currently participates in the State Foundation Program and the State Special Education Program. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

The remaining grants and entitlements received by the Academy are recognized as non-operating revenues in the accounting period in which eligibility requirements have been met.

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.

3. CASH DEPOSITS

At June 30, 2013, the carrying amount of all Sciotoville Elementary Academy deposits was \$539,409 and the bank balance was \$496,742. Based on the criteria described in GASB Statement 40, "*Deposit and Investments Risk Disclosure*," as of June 30, 2013, none of the bank balance was exposed to custodial risk as discussed below, as the entire bank balance was either covered by Federal Deposit Insurance Corporation or was collateralized.

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

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

4. RECEIVABLES

Receivables at June 30, 2013, consist of intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. All receivable amounts are expected to be received within one year.

A summary of intergovernmental receivables follows:

	Amounts
Title I Grants to Local Educational Agencies (Title I)	\$78,249
Improving Teacher Quality Grant (Title II-A)	1,731
Race to the Top Grant	14,781
Special Education Grants to States (Part B-IDEA)	22,256
Total Intergovernmental Receivables	\$117,017

5. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2013, was as follows:

	Balance 6/30/12	Additions	Deletions	Balance 6/30/13
Capital Assets Being Depreciated:				
Land Improvements	\$4,272	\$0	\$0	\$4,272
Buildings and Improvements	208,238	0	0	208,238
Furniture, Fixtures and Equipment	307,977	4,619	0	312,596
Total Capital Assets				
Being Depreciated	520,487	4,619	0	525,106
Less Accumulated Depreciation:				
Land Improvements	(711)	(214)	0	(925)
Buildings and Improvements	(15,951)	(4,165)	0	(20,116)
Furniture, Fixtures and Equipment	(110,582)	(45,575)	0	(156,157)
Total Accumulated Depreciation	(127,244)	(49,954)	0	(177,198)
Capital Assets, Net	\$393,243	(\$45,335)	\$0	\$347,908

6. RISK MANAGEMENT

Property and Liability

The Academy 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 2013, the Academy contracted with Cincinnati Insurance Company for general liability, property insurance, and educational errors and omissions insurance through its broker Sherman Krickler Insurance Company.

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

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

6. RISK MANAGEMENT (Continued)

Workers' Compensation

The Academy pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the annual total gross payroll by a factor that is calculated by the State.

7. DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

Plan Description – The Academy participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2013, the allocation to pension and death benefits was 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The Academy's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012, and 2011 were \$16,818, \$16,268, and \$13,168, respectively. For fiscal year 2013, 95.07 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

State Teachers Retirement System of Ohio

Plan Description – The Academy participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that can 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 multiplied by 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.

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

7. DEFINED BENEFIT PENSION PLANS (Continued)

The Combined Plan offers features of both the DB Plan and the DC 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 payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

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

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The statutory maximum employee contribution rate will be increased one percent each year beginning July 1, 2013, until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2013, plan members were required to contribute 10 percent of their annual covered salaries. The Academy was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The Academy's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012, and 2011 were \$69,917, \$70,569, and \$59,878, respectively. For fiscal year 2013, 82.20 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

For fiscal year 2013, no member or employer contributions were made to STRS Ohio for the DC Plan.

8. POSTEMPLOYMENT BENEFITS

School Employees Retirement System

Plan Description – The Academy participates in two cost-sharing multiple-employer defined benefit other postemployment 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 obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

8. POSTEMPLOYMENT BENEFITS (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2013, 0.16 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 fiscal year 2013, this amount was \$20,525. During fiscal year 2013, the Academy paid \$2,245 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 Academy's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$2,346, \$2,846, and \$4,812, respectively. For fiscal year 2013, 95.07 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2013, this actuarially required allocation was 0.74 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$950, \$961, and \$847, respectively. For fiscal year 2013, 95.07 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

State Teachers Retirement System of Ohio

Plan Description – The Academy participates in 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. Ohio law authorizes STRS to offer this plan. 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 can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 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 Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2013, STRS Ohio allocated employer contributions equal to one percent of covered payroll to post-employment health care. The Academy's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$5,378, \$5,428, and \$4,606, respectively. For fiscal year 2013, 82.20 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

9. EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation benefits are derived from policies and procedures approved by the Board of Directors. Non-certified employees earn 10 to 20 days of vacation per fiscal year, depending upon their length of service. Accumulated unused vacation time is paid to non-certified employees upon termination of employment up to a maximum payment of 50 days. Teachers do not earn vacation.

Teachers, administrators, and non-certified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 215 days. Upon retirement, payment is made for one-fourth of the total sick leave accumulation for those employees with five years of continuous service and who apply and qualify for retirement under SERS or STRS Ohio.

Insurance Benefits

The Academy provides life, prescription, dental, vision, and medical/surgical benefits to most employees through Medical Mutual of Ohio.

Deferred Compensation

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

10. LEASES - LEASEE DISCLOSURE

The Academy leases land and a gymnasium from the Sciotoville Christian Church under an operating lease. Operating lease payments are reported as operating expenses on the financial statements. Total operating lease payments in fiscal year 2013 were \$9,000. The Academy is obligated under the lease agreement to pay \$9,000 in fiscal year 2014.

11. CONTINGENCIES

Grants

The Academy received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2013.

Litigation

The Academy is not party to any legal proceedings.

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

11. CONTINGENCIES (Continued)

State Funding

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which State foundation funding is calculated. The result of these reviews for fiscal year 2013 was not available; therefore no payable or receivable was included in the Academy's financial statements.

12. CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2013, the Academy has implemented Governmental Accounting Standard Board (GASB) *Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements," Statement No. 61, "Financial Reporting Entity: Omnibus," Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements," Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," Statement No. 65, "Items Previously Reported as Assets and Liabilities," and Statement No. 66, "Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62."*

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the Academy's financial statements.

GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, and financial reporting entity display and disclosure requirements. These changes were incorporated in the Academy's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 62 incorporates into GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the Academy's financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. The implementation of this statement did not result in any change in the Academy's financial statements.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). The implementation of this statement did not result in any change in the Academy's financial statements.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the Academy's financial statements.

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

13. RELATED PARTY TRANSACTIONS

On May 14, 2012 the Elementary Academy approved a promissory note agreement with the Sciotoville Community School whereby the Community School promised to pay to the order of the Sciotoville Elementary Academy the sum of \$30,000. Sciotoville Elementary Academy made the expenditure of \$30,000 to the Sciotoville Community School on August 28, 2012. The Sciotoville Community School was to pay no interest and the agreement included terms for repayment which included monthly payments until the full loan is repaid. As of June 30, 2013, no amounts have been repaid to the Sciotoville Elementary Academy. Also during fiscal year 2013, the Sciotoville Elementary Academy paid \$22,806 to the Sciotoville Community School for custodial services. As indicated in Note 1, the Elementary Academy is considered a component unit of the Sciotoville Community School.

14. SUBSEQUENT EVENTS

On August 8, 2013 the Board of Directors approved separation with the Treasurer and approved an agreement with the South Central Ohio Educational Service Center to provide full financial services for fiscal year 2014.

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Dave Yost • Auditor of State

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

Sciotoville Elementary Academy
Scioto County
224 Marshall Avenue
Sciotoville, Ohio 45662

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Sciotoville Elementary Academy, Scioto County, Ohio (the Academy), a component unit of the Sciotoville Community School, Scioto County, Ohio, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated April 23, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Academy's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Academy's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Academy's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Finding 2013-001 described in the accompanying Schedule of Findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Academy'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, opining 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 2013-001.

Entity's Response to Findings

The Academy's response to the Finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Academy's response and, accordingly, we express no opinion on it.

Purpose of the Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Academy's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

April 23, 2014

**SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2013**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2013-001

Noncompliance Citation/Material Weakness

Ohio Admin. Code Section 117-2-01(D)(3) and (5) state that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

Ohio Admin. Code Section 117-2-02(A) requires public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

Accurate monthly reconciliations of the ending bank account balance to the Academy's ending book balance were not performed during the audit period by the Academy Treasurer for the General Operating Account. As a result, proof of cash procedures were performed through November 2013 to identify reconciliation adjustment items and differences between the Academy's reconciliation balance and accounting system current fund balance. While performing these procedures, the following conditions were identified:

- Check posted to the Academy's accounting system which cleared bank in a difference amount
- Checks which cleared bank but not timely or easily determined to be posted to the accounting system
- Errors in posting memorandum expenditure activity relating to state foundation receipts
- Memorandum expenditures posted to correct errors for as far back as three months prior
- Various differences between amounts posted for transfer to payroll account activity and amounts which actually cleared the bank
- Sequence of numerous checks being cleared / reconciled in the accounting system totaling \$23,953 which actually cleared the General Operating account of the Sciotoville Community School and were corrected via a transfer from the Sciotoville Elementary Academy General Operating Bank Account to the Sciotoville Community School General Operating Account.
- Corporate Account Analysis bank charge not posted to the Academy's accounting system
- Check which cleared the bank in the amount of \$57,023 which was not posted to the Academy's accounting system. A copy of the check indicated the item was a transfer to the payroll account; however, the amount did not trace to the Academy's payroll account, but rather traced to the payroll account of the Sciotoville Community School.
- Additional sequences of checks totaling \$27,633 which actually cleared the General Operating Account of the Sciotoville Community School which was corrected via a check from the Sciotoville Elementary Academy General Operating Account to the Sciotoville Community School General Operating Account.

**FINDING NUMBER 2013-001
(Continued)**

- Checks were outstanding for longer than a six month period of time in which the check was on hand / available for several of the outstanding items.

Total differences identified through November 2013 amounted to \$57,511, of which \$57,023 related to the Academy's "transfer" check to the payroll account which was actually deposited into the Sciotoville Community School's payroll account. The amount of \$57,023 was corrected in the bank accounts on February 7, 2014. The difference of \$488 was posted to the accounting system on January 31, 2014.

In addition, payroll account reconciliations were not provided for the audit period. This could result in cumbersome reconciliations and errors in the account going undetected for an extended period of time.

These conditions not only increase the likelihood of accounting errors, but increase the risk that fraud or theft may occur and not be detected. Also, increased audit fees are incurred due to proof of cash procedures being required and requested to be performed to identify reconciling items and differences.

As a result, we make the following recommendations:

- We recommend that accurate reconciliations of the Academy's bank accounts be performed by the Academy Treasurer on a monthly basis. Any reconciling items should be documented and investigated to prevent unsupported adjustments from being recorded.
- We recommend the Academy Treasurer maintain accurate listings of outstanding checks and deposits and to follow up on items which have been outstanding for an extended period of time to ensure that proper credit is given to the Academy for outstanding deposits, outstanding deposits are properly supported, and outstanding checks are voided and paid into an unclaimed monies fund or reissued.
- We recommend that the monthly bank reconciliations be reviewed and approved by the Academy Board of Directors as part of their monthly Board Meetings and signed or initialed by the Board Members to evidence the Board of Director's review and approval.
- We recommend the payroll account be reconciled by the Academy Treasurer or an appointed individual on a monthly basis. The Academy Treasurer should follow up on and correct long outstanding items found in the payroll account.

Officials' Response:

We understand the importance of bank reconciliations. Since my appointment as Treasurer, bank reconciliations have been completed and will continue to be completed in a timely and efficient manner.

SCIOTOVILLE ELEMENTARY ACADEMY
SCIOTO COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2013

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-01	Ohio Rev. Code Section 121.22 regarding no official minute record existing for March through June 2012 as of November 15, 2012.	Yes	

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INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Sciotoville Elementary Academy
Scioto County
224 Marshall Avenue
Sciotoville, Ohio 45662

To the Board of Directors:

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 procedure enumerated below, which was agreed to by the Board of Directors, solely to assist the Board of Directors in evaluating whether the Sciotoville Elementary Academy (the Academy) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board of Directors. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board of Directors amended its anti-harassment policy at its meeting on October 22, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

Ohio Rev. Code Section 3313.66 required the Board of Directors to amend its policy by November 4, 2012.

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 of Directors and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

Columbus, Ohio

April 23, 2014

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242

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www.ohioauditor.gov

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SCIOTOVILLE ELEMENTARY ACADEMY

SCIOTO COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 13, 2014**