



Dave Yost • Auditor of State



**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Statement of Net Position .....	7
Statement of Revenues, Expenses, and Changes in Net Position .....	8
Statement of Cash Flows .....	9
Notes to the Basic Financial Statements .....	11
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	23
Schedule of Findings.....	25
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	27

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Cincinnati State STEM Academy  
Hamilton County  
3520 Central Parkway  
Cincinnati, Ohio 45223

To the Board of Directors:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Cincinnati State STEM Academy, Hamilton County, Ohio (the Academy), 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 overall financial statement presentation.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cincinnati State STEM Academy, Hamilton 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 October 30, 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

October 30, 2014

**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

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. The Management's Discussion and Analysis (the MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current fiscal year and the prior fiscal year is required to be presented in the MD&A. However, because this is the first fiscal year of financial reporting for the Academy comparative prior fiscal year information does not exist. Subsequent reports will include the comparative information.

**FINANCIAL HIGHLIGHTS**

Key Financial Highlights for the Academy for the 2012-13 Academy years are as follows:

- Total assets were \$89,525
- Total liabilities were \$70,216
- Total net position was \$19,309
- Total operating and non-operating revenues were \$1,064,623. Total operating expenses were
- \$1,045,314.

**USING THIS ANNUAL REPORT**

This report consists of three parts: the 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 Statement of Revenues, Expenses, and Changes in Net Position reflect how the Academy did financially during fiscal year 2013. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting includes all of the current year revenues and expenses regardless of when cash is received or paid. These statements report the Academy's net position and changes in the net position. This change in net position is important because it tells the reader whether the financial position of the Academy has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the Academy's student enrollment, per-pupil funding as determined by the State of Ohio, change in technology, required educational programs and other factors. The Academy uses enterprise presentation for all of its activities.

**Statement of Net Position**

The Statement of Net Position answers the question of how the Academy did financially during 2013. This statement includes all assets and liabilities, both financial and capital, and short-term and long-term using the accrual basis of accounting and economic resource focus, 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 year, regardless of when the cash is received or paid. Table 1 provides a summary of the Academy's net position for fiscal year 2013. This is the Academy's first year of operation. Therefore, comparative information is not available.

**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

**Table 1 – Statement of Net Position 2013**

CURRENT ASSETS:	
Cash	\$89,525
TOTAL CURRENT ASSETS	<u>89,525</u>
LIABILITIES:	
Accrued Salaries and Fringe Benefits	70,216
TOTAL LIABILITIES	<u>70,216</u>
NET POSITION:	
Unrestricted	<u>19,309</u>
TOTAL NET POSITION	<u><u>\$19,309</u></u>

**Statement of Net Position**

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2013, the Academy's net position totaled \$19,309. Current assets consist of cash. Current liabilities consist of salaries and fringe benefits payable at fiscal year-end.

**Statement of Revenues, Expenses and Changes in Net Position**

Table 2 shows the changes in net position for fiscal year 2013, as well as a listing of revenues and expenses. Certain comparative information between the current fiscal year and the prior fiscal year is required to be presented in the MD&A. However, because this is the first fiscal year of financial reporting for the Academy comparative prior fiscal year information does not exist. Subsequent reports will include the comparative information.



**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

**Table 2 – Changes in Net Position 2013**

<b>OPERATING REVENUES:</b>	
State Foundation Payments	\$1,042,677
Other Revenues	<u>839</u>
Total Operating Revenues	<u><u>1,043,516</u></u>
<b>OPERATING EXPENSES:</b>	
Salaries & Wages	493,667
Fringe Benefits	128,116
Purchased Services	295,932
Material, Supplies, Textbooks	100,533
Other	<u>27,066</u>
Total operating expenses	<u><u>1,045,314</u></u>
Operating gain(loss)	<u><u>(1,798)</u></u>
 <b>NONOPERATING REVENUES AND EXPENSES</b>	
Federal & State Grants	21,107
PNC Line of credit	25,000
Repayment of PNC line of credit	<u>(25,000)</u>
Total Non-operating Revenues	<u><u>21,107</u></u>
 <b>CHANGE IN NET POSITION</b>	 <u><u>19,309</u></u>
<b>NET POSITION- Beginning of year</b>	<u><u>0</u></u>
<b>NET POSITION - End of year</b>	<u><u>\$19,309</u></u>

**BUDGETING HIGHLIGHTS**

Unlike other public Academies located in the State of Ohio, community Academies are not required to follow budgetary provisions set forth in Ohio Rev. Code Chapter 5705 (with the exception section 5705.391 – Five Year Forecasts), unless specifically provided in the community Academy's contract with its Sponsor. The contract between the Academy and its Sponsor does prescribe a budgetary process. The Academy must prepare and submit a detail budget for every fiscal year to the Board of Directors and its Sponsor. The five-year forecast is also submitted to the Ohio Department of Education, annually.

**Short-Term Debt**

During the fiscal year, the Academy received monies from a short term line of credit from PNC Bank in the amount of \$25,000. At fiscal year end, there was no outstanding balance. For more information about the Academy's short term borrowing, see Note 4 of the Basic Financial Statements.

**CURRENT FINANCIAL ISSUES**

The Academy is a community Academy and is funded through the State of Ohio Foundation Program. The Academy relies on this, as well as State and Federal funds, as its primary source of revenue.

**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

**CONTACTING THE ACADEMY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the Academy's finances and to demonstrate accountability for the money it receives. If you have questions about this report or need additional information, contact Michael Geoghegan, Treasurer, 3520 Central Parkway, Cincinnati, OH, 45223, email: [michael.geoghegan@cincinnatiastate.edu](mailto:michael.geoghegan@cincinnatiastate.edu)

# Cincinnati State STEM Academy

Hamilton County

Statement of Net Position

June 30, 2013

---

CURRENT ASSETS:

Cash		\$89,525
	TOTAL CURRENT ASSETS	<u>89,525</u>

LIABILITIES:

Accrued Salaries and Fringe Benefits		70,216
	TOTAL LIABILITIES	<u>70,216</u>

NET POSITION:

Unrestricted		<u>19,309</u>
	TOTAL NET POSITION	<u><u>\$19,309</u></u>

See accompanying notes to the basic financial statements

# Cincinnati State STEM Academy

Hamilton County

## Statement of Revenues, Expenses, and Changes in Net Position

June 30, 2013

---

### OPERATING REVENUES:

State Foundation Payments	\$1,042,677
Other Revenues	839
Total Operating Revenues	<u>1,043,516</u>

### OPERATING EXPENSES:

Salaries & Wages	493,667
Fringe Benefits	128,116
Purchased Services	295,932
Material, Supplies, Textbooks	100,533
Other	27,066
Total operating expenses	<u>1,045,314</u>
Operating Gain(Loss)	<u>(1,798)</u>

### NONOPERATING REVENUES AND EXPENSES

Federal Grants	21,107
PNC Line of credit	25,000
Repayment of PNC line of credit	<u>(25,000)</u>
Total Non-operating Revenues	<u>21,107</u>

CHANGE IN NET POSITION 19,309

NET POSITION- Beginning of year 0

NET POSITION - End of year \$19,309

See accompanying notes to the basic financial statements

# Cincinnati State STEM Academy

Hamilton County

Statement of Cash Flows

June 30, 2013

---

## CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from State of Ohio	\$1,042,677
Cash received from other revenues	839
Cash paid on behalf of the Academy for goods and services	(423,531)
Cash paid to employees for services	<u>(551,567)</u>

Net cash provided by operating activities 68,418

## CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:

Federal and State grants received	21,107
PNC Line of credit	25,000
Repayment of PNC line of credit	<u>(25,000)</u>
Net cash provided by noncapital financing activities	<u>21,107</u>

NET CHANGE IN CASH 89,525

CASH - Beginning of year 0

CASH - End of year 89,525

## RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:

Operating (Loss)/Gain	(1,798)
Increase in Accrued Salaries and Fringe Benefits	<u>70,216</u>
Total Adjustment	<u>70,216</u>

NET CASH USED FOR OPERATING ACTIVITIES: \$68,418

See accompanying notes to the basic financial statements

**This page intentionally left blank.**

**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

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

**1. Description of the Academy and Reporting Entity**

Cincinnati State STEM Academy (the Academy), is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of high school students in grades 9 through 12. The Academy, which is part of the State's education program, is independent of any school district and is non-sectarian 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.

On September 1, 2012, the Academy entered into a five-year contract with Ohio Department of Education's Office of School Sponsorship (the Sponsor) to be the Academy's sponsor. The contract expiration date is June 30, 2017. The contract is renewed subject to the Sponsor's determination that the Governing Authority of the Academy has satisfactorily complied with the applicable laws and sponsorship contract and that the Academy's progress in meeting the academic goals stated in the sponsorship contract is satisfactory.

The Academy operates under the direction of a six member Board of Trustees (the Board). The Board is responsible for carrying out the provisions of the Sponsor 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 controls the Academy's instructional/support facility staffed by eight (8) certificated full-time teaching personnel, four (4) certificated administrative personnel and two (2) non-certificated personnel who provided services to 173 students during the fiscal year.

**2. Summary of Significant Accounting Policies**

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America 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 Academy's most significant accounting policies are described below.

**A. Basis of Presentation**

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

**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

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

**2. Summary of Significant Accounting Policies (Continued)**

**B. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources are included on the Statement of Net Position. The difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources is defined as net position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The Statement of Cash Flows provides information about how the Academy finances and meets the cash flow needs of its enterprise activities. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. 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 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.

**C. 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 Rev. Code Section 5705, unless specifically provided in the Schools contract with its Sponsor. The contract between the School and its Sponsor does prescribe an annual budget requirement in addition to preparing a five-year forecast which is to be updated on an annual basis.

**D. Cash and Cash Equivalents**

All monies received by the Academy are maintained in a demand deposit account. For internal accounting purposes, the Academy segregates its cash into separate funds.

**E. Intergovernmental Revenues**

The Academy currently participates in the State Foundation Program which is reflected on the Statement of Revenues, Expenses, and Change in Net Position. Revenues received from these programs are recognized as operating revenue in the accounting period in which all eligibility requirements have been met.

Non-exchange transactions, in which the Academy receives value without directly giving equal in return, include grants, entitlements and contributions. Grants, entitlements and contributions are recognized as non-operating revenues in the accounting period in which the eligibility requirements have been met.



**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

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

**2. Summary of Significant Accounting Policies (Continued)**

**F. Operating and Non-Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly by the Academy's primary mission. For the Academy, operating revenues include revenues paid through the State Foundation Program and Other Unrestricted Grants distributed from the State's proceeds of the tax on gross casino revenue. Operating expenses are necessary costs incurred to support the Academy's primary mission, including salaries, benefits, purchased services, materials and supplies, depreciation and other.

Non-operating revenues and expenses are those that are not generated directly by the Academy's primary mission. Various federal and state grants, interest earnings and expense, if any, and contributions comprise the non-operating revenues and expenses of the school. Interest and fiscal charges on outstanding obligations, as well as gains or loss on capital asset disposals, if any, comprise the non-operating expenses.

**G. Accrued Liabilities Payable**

The School has recognized certain liabilities on its Statement of Net Position relating to expenses, which are due but unpaid as of fiscal year-end, including: (1) Wages payable – salary payments made after year-end to instructional and support staff for services rendered prior to the end of June, but whose payroll continues into the summer months based on the fiscal year 2013 contract. (2) Medicare and Workers' Compensation associated with services rendered during fiscal year 2013 that were paid in the subsequent fiscal year.

**H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School did not have any deferred outflows of resources at fiscal year-end. In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The School had no deferred inflows of resources as of fiscal year end.

**I. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net Investment in Capital Assets, consists of capital assets, net of accumulated depreciation, less any outstanding capital related debt. 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. The School applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

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

**2. Summary of Significant Accounting Policies (Continued)**

**J. Economic Dependency**

The School receives nearly 100% of its operating revenue from the Ohio Department of Education. Due to the significance of this revenue source, the School is considered to be economically dependent on the State of Ohio Department of Education.

**3. Deposits and Investments**

Custodial credit risk is the risk that in the event of bank failure, the School will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository 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 School. At June 30, 2013, the carrying amount of the Academy's deposits was \$89,525 and the bank balance was \$158,319. The entire bank balance was covered by federal deposit insurance.

**4. Short-Term Debt**

Cincinnati State STEM Academy entered into a Business Loan Agreement with PNC Bank on September 13, 2012 for a secured revolving line of credit of \$200,000. The Academy borrowed \$25,000 on September 13, 2012 to cover faculty and staff payroll. The \$25,000 was paid back September 20, 2012. There was a zero balance on June 30, 2013. Advances bear interest at the London Interbank Offered Rate (LIBOR) plus 3%. The revolving line of credit expires on September 13, 2013.

**5. Risk Management**

**A. Property and Liability** - The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year, the School contracted with Poirard Associates Inc., for insurance services. Property and general liability insurance coverage was as follows:

Commercial Property Coverage (Coinsurance is 90%; \$1,000 deductible):  
Business Personal Property \$100,000

Commercial General Liability:  
Per Occurrence \$1,000,000  
Aggregate Total \$2,000,000  
Products and Completed Operations Aggregate \$2,000,000  
Personal and Advertising Injury \$1,000,000  
Damage to Rented Premises (each occurrence) \$100,000  
Medical Expense (any one person) \$5,000

Commercial Automobile Coverage:  
Combined Single Limit – Bodily Injury and Property Damage \$1,000,000  
Employee Dishonesty (\$250,000 limit/\$2,500 deductible)  
Forgery and Alteration (\$100,000 limit/\$2,500 deductible)  
Computer Fraud (\$100,000 limit/\$2,500 deductible)  
Funds Transfer Fraud (\$100,000 limits/\$2,500 deductible)

**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

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

**5. Risk Management (Continued)**

Personal Accounts Forgery or Alteration (\$100,000 limits/\$2,500 deductible)

Directors and Officers Liability:

Policy Damages Limit of Liability – Aggregate \$1,000,000

IEP Hearing Limit of Liability – Aggregate for Claim Expense \$100,000

Desegregation Limit of Liability – Aggregate for Claim Expense \$100,000

Breach of Contract Limit of Liability – Aggregate for Claim Expenses \$100,000

Breach of Fiduciary Duty Limit of Liability – Aggregate for Claim Expenses \$25,000

Each Wrongful Act - \$25,000

Each Employment Practices Violation \$15,000

IEP Hearing \$5,000

Umbrella Policy:

Each Occurrence \$9,000,000

Annual Aggregate \$9,000,000

There were no significant changes in coverage during the year. Settlement amount did not exceed coverage amounts.

**B. Workers' Compensation** - The School pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is determined by the State.

**C. Employee Medical, Dental, Vision, Life, Short Term Disability and Employee Assistance Program Benefits** - The School carries medical insurance through Humana; the School pays 85% of the medical insurance. Dental insurance is provided by Dental Care Plus; the School pays 100% of the dental insurance. Vision insurance is provided by Vision Care; the School pays 100% of the vision insurance. Short term disability and employee assistance are also provided to the employees; the School pays 100% for both. The employee is responsible for the remainder of the premiums. The annual cost of medical, dental, and vision insurance are based on the employee's election of a single or family insurance plan.

**6. Defined Benefit Pension Plans**

**(a) School Employees Retirement System**

Plan Description - The School contributes to the School Employees Retirement System of Ohio (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 state statute per Chapter 3309 of the Ohio Revised Code. The School Employees Retirement System issues a publicly available, standalone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employer/Audit Resources.

**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

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

**6. Defined Benefit Pension Plans (Continued)**

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the School is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2013, the allocation to pension and death benefits was 13.10%. The remaining 0.90% of the 14% employer contribution rate was allocated to the Health Care and Medicare B Funds. The Academy's required contributions to SERS for the fiscal year ended June 30, 2013, were \$6,595 or 15%. The entire amount has been contributed for fiscal year 2013.

**(b) State Teachers Retirement System**

Plan Description - The Academy contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. 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 toll-free 1-888-227-7877 or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

Plan Options – New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members may transfer to a different STRS Ohio retirement plan during their fifth year of membership. Eligible members who do not make a choice during the reselection period will permanently remain in their current plan.

**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

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

**6. Defined Benefit Pension Plans (Continued)**

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

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

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

**6. Defined Benefit Pension Plans (Continued)**

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated. Benefits were increased by 3% of the original base amount for DB Plan participants. The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed. A DB or Combined Plan member with five or more years' credited service that becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries. Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 14% for members and 14% for employers. Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2013, were 14% of covered payroll for members and 14% for employers. The Academy's required contributions for pension obligations to the DB Plan for the fiscal year ended June 30, 2013 was \$51,430 or 13%. The entire amount has been contributed for fiscal year 2013.

**7. Post-employment Benefits**

**(a) School Employees Retirement System**

Postemployment Benefits – In addition to a cost-sharing multiple-employer defined benefit pension plan the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans. Medicare Part B Plan – The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

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

**7. Post-employment Benefits (Continued)**

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2013, the actuarially required allocation is .74%. The Academy's contributions for the years ended June 30, 2013, \$49. The entire amount has been contributed for fiscal year 2013.

Health Care Plan – ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans. The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2013, the health care allocation is .16%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the minimum compensation level was established at \$20,525. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Academy's contributions assigned to health care, including the surcharge, for the years ended June 30, 2013 were \$921. The entire amount has been contributed for fiscal year 2013. The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status. The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

**(b) State Teachers Retirement System**

Plan Description - The Academy contributes to the cost-sharing, multiple employer postemployment benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by writing 275 E. Broad St., Columbus, OH 43215-3371, by calling 1-888-227-7877, or by visiting the STRS Ohio web site at [www.strsoh.org](http://www.strsoh.org).

**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

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

**7. Post-employment Benefits (Continued)**

Funding Policy – Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post employment health care for year ended June 30, 2013. The 14% employer contribution rate is the maximum rate established. The Academy's contributions for health care for the fiscal years ended June 30, 2013 was \$3,726 or 1%. The entire amount has been contributed for fiscal 2013.

**8. Contingencies**

The Academy received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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. The effect of any such disallowed claims on the overall financial position of the Academy at June 30, 2013, if applicable, cannot be determined at this time. However, in the opinion of the Academy, any such disallowed claims will not have a material adverse effect on the financial position of the Academy at fiscal year-end.

**9. Contracted Services**

The Academy is a party to a fiscal services agreement with Cincinnati State Technical & Community College, where the Academy is co-located. The following are the terms set forth by the contract for fiscal services:

- 1) Cincinnati State Technical & Community College will provide fiscal services for Cincinnati State STEM Academy according to the standards set forth by the Ohio Department of Education and all other required reporting requirements in state and federal law.
- 2) All designated parties will attend all needed training for compliance with all provisions of state and federal law.
- 3) Cincinnati State STEM Academy agrees to provide compensation to Cincinnati State Technical and Community College not to exceed \$50,000 in payments.
- 4) Michael Geoghegan will act as the School Treasurer and point of contact for all fiscal matters for Cincinnati State STEM Academy under the direction of the Superintendent.
- 5) In this MOU, Cincinnati State Technical & Community College agrees to provide payroll support, tax preparation, audit support, budgets, and any other fiscal services requested by Cincinnati State STEM Academy.

The contract period coincides with the beginning of the school year and the end of the school year anticipated to be September 4, 2012 through June 30, 2013.

The Academy has entered into a food services agreement with Cincinnati State Technical and Community College Midwest Culinary Institute to provide the following:

- 1) Cincinnati State Technical & Community College Midwest Culinary Institute will provide breakfast and lunches for the students attending Cincinnati State STEM Academy according to the standards set forth in the National School Breakfast and Lunch Program.



**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

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

**9. Contracted Services (Continued)**

- 2) All designated parties will attend all needed training for compliance with all provisions of the National School Breakfast and Lunch Program.
- 3) Cincinnati State STEM Academy agrees to provide compensation for meals provided directly to students each day at the federal reimbursement rate per meal at \$2.86 per lunch and \$1.55 per breakfast.
- 4) Meals will be served in Room 143 Lower Mezzanine.
- 5) All menus will be presented to Cincinnati State STEM Academy 30 days in advance of food service to ensure compliance with the National School Breakfast and Lunch Program.

The contract period coincides with the beginning of the school year and the end of the school year anticipated to be September 4, 2012 through July 26, 2013.

**10. Operating Leases – Lessee and Lessor**

The School entered into a Property Lease Agreement for the building located at 3520 Central Parkway, Cincinnati, OH, 45223 with Cincinnati State Technical & Community College (Lessee). The term of the lease is two years, commencing on August 1, 2012. The minimum annual payments to be made from the Lessee during years one and two are \$50,000. During the fiscal year, the School paid \$50,000 in lease payments for the property. There is no option to purchase the space.

**11. Purchased Services**

During the fiscal year, purchased service expenses for services rendered by various vendors were as follows:

Internet Connectivity/Laptops - AT&T	\$ 120,380
Facilities Lease - CSTCC	50,000
Sponsorship Fee - ODE	28,842
Fiscal Services - CSTCC	22,000
Payroll - ADP	4,085
ODE Student/Fiscal Reporting - SWOCA	15,210
Legal Services - Freking & Betz	12,098
Professional Development - Various	2,257
Charter Bus Services - Track - Peterman	1,500
Food Services - CSTCC	33,952
Point of Sale System - Misc. Grant Fund	3,925
Student Activities	1,683
<b>Total Purchased Services - General Fund</b>	<b>295,932</b>

**This page intentionally left blank.**



# 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*

Cincinnati State STEM Academy  
Hamilton County  
3520 Central Parkway  
Cincinnati, Ohio 45223

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 Cincinnati State STEM Academy, Hamilton County, (the Academy) as of and for the year ended June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated October 30, 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 opinion 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.

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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***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 this 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

Columbus, Ohio

October 30, 2014

**CINCINNATI STATE STEM ACADEMY  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2013**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2013-001**

**Noncompliance**

**Ohio Rev. Code, § 2921.42(A)**, provides, in part, that no public official shall knowingly do any of the following:

- (1) Authorize, or employ the authority or influence of the public official's office to secure authorization of any public contract in which the public official, a member of the public official's family, or any of the public official's business associates has an interest;
- (2) Have an interest in the profits or benefits of a public contract entered into by or for the use of the political subdivision or governmental agency or instrumentality with which the public official is connected;

Section 2.1 of the Sponsorship Agreements states, in part, "The Governing Authority must contain at least five Directors, who are not owners or employees, or relatives of owners or employees, of any company that operates or manages the school."

Also, Section 2.1 continues, in part, "Further, the Governing Authority and each member of the Governing Authority shall be disinterested parties and have no financial interest, direct or indirect with any person or entity the School contracts with."

The Board President Dr. O'dell Owens and Vice President Dr. David Hickey both served on board for the Cincinnati STEM Academy during the 2013 fiscal year, while also being employed by Cincinnati State University.

The Cincinnati STEM Academy entered into contracts with Cincinnati State University during the 2013 fiscal year (July 1, 2012 to June 30, 2013) to provide the following services:

- Food services for lunch and breakfast
- Information Technology services not to exceed \$50,000
- Fiscal services not to exceed \$50,000
- Facilities lease for \$50,000

Dr. Owens and Dr. Hickey either abstained or were absent from the initial vote of these fiscal year 2013 contracts in August 2012. However, these contracts were not finalized until January 2013, where both Dr. Owens and Dr. Hickey voted to approve these contracts.

This matter will be referred to the Ohio Ethics Commission.

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

**Officials' Response:**

"After consultation with STEM Academy's Sponsor /Regulating Authority, the Ohio Department of Education's representative, and subsequent agreement by Cincinnati Stem Academy legal counsel, it was decided that Dr. Owens and Dr. Hickey were permitted to serve as board members, but should abstain from voting on issues involving contracts between the College and the Academy. Further, it was understood that those two persons were not and would not be receiving personal benefits with such Board service.

Both Dr. Owens and Dr. Hickey were fully aware of their responsibility to abstain from voting on any STEM Academy contracts with the College as evidenced by their initial abstention when these contracts were first brought to a Board vote in August, 2012. The former Superintendent of the STEM Academy was responsible for recording of the Board minutes in FY13 until her resignation in June 2013. We can only surmise that she inadvertently included Dr. Owens and Dr. Hickey when recording the contracts vote as unanimous when in fact they had abstained and the motion was carried by the three other voting members."



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Cincinnati State STEM Academy  
Hamilton County  
3520 Central Parkway  
Cincinnati, Ohio 45223

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 procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Cincinnati State STEM Academy (the Academy) 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 inquired with the Board's management regarding the aforementioned policy. They stated they have not yet adopted an anti-harassment policy. The Board should adopt a policy as required by Ohio Rev. Code 3313.666.

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 Academy's sponsor, 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

October 30, 2014

**This page intentionally left blank.**





# Dave Yost • Auditor of State

**CINCINNATI STATE STEM ACADEMY**

**HAMILTON 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  
NOVEMBER 18, 2014**