



**Dave Yost • Auditor of State**



**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

South Scioto Academy  
Franklin County  
707 East Jenkins Avenue  
Columbus, Ohio 43207

To the Board of Directors:

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

We have audited the accompanying financial statements of South Scioto Academy, Franklin 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 the 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 South Scioto Academy, Franklin 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 March 25, 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

March 25, 2014

SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY

**MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)**

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The management's discussion and analysis of South Scioto Academy's 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 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 (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in its Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Government*, issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

**Financial Highlights**

- In total, net position increased \$2,246, which represents a 1.2% increase in net position from 2012.
- Total assets increased \$11,226, which is a 3.3% increase from 2012. This was due in part to increased intergovernmental receivables consisting of federal funds.
- Liabilities increased \$8,980, which represents a 6.1% increase from 2012. This is due in part to a combination of an increase in accrued wages and benefits and a decrease in intergovernmental payables.

**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 change in net position, and a statement of cash flows.

**Statement of Net Position**

The statement of net position answers the question, "How did we do 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 resources focus, which is similar to the accounting used by most private sector companies. This basis of accounting takes into the account all revenues and expenses during the year, regardless of when cash is received or paid.

SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

Table I provides a summary of the Academy's net position for fiscal years 2013 and 2012:

TABLE I	Governmental Activities		
	June 30		
	2013	2012	Change
<b>Assets</b>			
Current Assets	\$ 294,271	\$ 254,912	\$ 39,359
Capital Assets - Net	49,295	57,428	(8,133)
Other Non-Current Assets	10,000	30,000	(20,000)
Total assets	353,566	342,340	\$ 11,226
<b>Liabilities</b>			
Current Liabilities	86,079	77,099	8,980
Non-current Liabilities	70,000	70,000	0
Total liabilities	156,079	147,099	8,980
<b>Net Position</b>			
Invested in capital assets	49,295	57,428	(8,133)
Unrestricted	148,192	137,813	10,379
Total net position	\$ 197,487	\$ 195,241	\$ 2,246

Total net position of the Academy increased \$2,246. Accounts Receivable decreased by \$8,945 due to recovery of retirement costs over-deducted from state aid. Cash increased by \$22,626. Accrued wages and benefits increased \$18,621 due to increased staffing related to higher student count.



SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

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

TABLE 2	Governmental Activities		
	June 30		
	2013	2012	Change
<b>Operating Revenues</b>			
Foundation Payments	\$ 1,117,257	\$ 940,311	\$ 176,946
Other	6,074	13,547	(7,473)
Total Operating Revenues	1,123,331	953,858	169,473
<b>Operating Expenses</b>			
Purchased Services	1,393,603	1,110,653	282,950
Materials and Supplies	86,758	28,559	58,199
Depreciation	26,328	37,357	(11,029)
Other Expenses	56,913	40,630	16,283
Total Operating Expenses	1,563,602	1,217,199	346,403
Operating Loss	(440,271)	(263,341)	(176,930)
<b>Non-Operating Revenues and Expenses</b>			
Federal Grants	382,051	256,752	125,299
State Grants	58,902	1,828	57,074
Contributions	2,668	194	2,474
Prior Year Adjustment	71	(61)	132
Interest	(1,175)	(3,074)	1,899
Total Non-Operating Revenues and Expenses	442,517	255,639	186,878
Change in Net Position	2,246	(7,702)	9,948
Net Position Beginning of Year	195,241	202,943	(7,702)
<b>Net Position End of Year</b>	\$ 197,487	\$ 195,241	\$ 2,246

Net position increased \$2,246. Increases in revenues and expenditures across the board are related to an increased student count; in addition, increase in State Grants of \$57,074 is related mostly to new Transportation aid. Materials and Supplies increased \$58,199 due to an increase in Title I funded expenditures.

SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

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**Capital Assets**

At the end of fiscal year 2013, the Academy had \$49,295 invested in furniture, fixtures, and equipment (net of depreciation). Table 3 shows capital assets (net of depreciation) for the fiscal years 2013 and 2012.

TABLE 3

	2013	2012
Furniture, fixtures and equipment	\$ 49,295	\$ 57,428

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

**Current Financial Issues**

South Scioto Academy was formed in 2006 under a contract with the Educational Service Center of Franklin County. During the 2012-2013 school year there were 158 students enrolled in the Academy. The Academy receives its finances mostly from state aid. Foundation payments for fiscal year 2013 amounted to \$1,117,257.

**Contacting the School's Financial Management**

The 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 funds it receives. If you have questions about this report or need additional information, contact Don Ash, Fiscal Officer of South Scioto Academy, 2125 University Park Drive, Okemos, MI 48864 or e-mail at don.ash@leonagroup.com.

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

**STATEMENT OF NET POSITION  
JUNE 30, 2013**

**Assets**

Current Assets:

Cash and Cash Equivalents	\$ 111,842
Accounts Receivable	45
Intergovernmental Receivables	122,384
Deposits (to be refunded within one year)	60,000
<i>Total Current Assets</i>	<u>294,271</u>

Non-Current Assets:

Capital Assets:

Depreciable Capital Assets, Net	49,295
Deposits	10,000
<i>Total Non-Current Assets</i>	<u>59,295</u>

<i>Total Assets</i>	<u>353,566</u>
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**Liabilities**

Current Liabilities:

Accounts Payable - Related Parties	81,554
Accounts Payable - Trade	4,032
Intergovernmental Payable	156
STRS-SERS Payable	337
<i>Total Current Liabilities</i>	<u>86,079</u>

Non-Current Liabilities:

Due Within One Year	60,000
Due In More Than One Year	10,000
<i>Total Non-Current Liabilities</i>	<u>70,000</u>

<i>Total Liabilities</i>	<u>156,079</u>
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**Net Position**

Invested in Capital Assets, Net of Related Debt	49,295
Unrestricted	148,192

<i>Total Net Position</i>	<u>\$ 197,487</u>
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<b>Operating Revenues</b>	
Foundation Payments	\$ 1,117,257
Other Revenues	<u>6,074</u>
<i>Total Operating Revenues</i>	<u>1,123,331</u>
<b>Operating Expenses</b>	
Purchased Services (Note 10)	1,393,603
Materials and Supplies	86,758
Depreciation	26,328
Other	<u>56,913</u>
<i>Total Operating Expenses</i>	<u>1,563,602</u>
<i>Operating Loss</i>	<u>(440,271)</u>
<b>Non-Operating Revenues and Expenses</b>	
Federal Grants	382,051
State Grants	58,902
Prior Year Adjustment	71
Contributions and Donations	2,668
Interest and Fiscal Charges	<u>(1,175)</u>
<i>Total Non-Operating Revenues and Expenses</i>	<u>442,517</u>
<i>Change in Net Position</i>	2,246
.	
<i>Net Position Beginning of Year</i>	<u>195,241</u>
<i>Net Position End of Year</i>	<u><u>\$ 197,487</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

**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 State of Ohio	\$ 1,101,518
Cash Received from Other Operating Revenues	4,916
Cash Payments for Purchased Services	(1,360,498)
Cash Payments for General Materials and Supplies	(87,294)
Cash Payments for Other Operating Expenses	<u>(55,818)</u>

*Net Cash Used for Operating Activities* (397,176)

Cash Flows from Noncapital Financing Activities:

Federal Grants Received	381,531
State Grants Received	54,903
Proceeds from Notes	75,000
Prior Year Adjustment	71
Principal Payments	(75,000)
Interest Payments	(1,175)
Contributions and Donations	<u>2,668</u>

*Net Cash Provided by Noncapital Financing Activities* 437,998

Cash Flows from Capital and Related Financing Activities:

Payments for Capital Acquisitions	<u>(18,195)</u>
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*Net Cash Used for Capital and Related Financing Activities* (18,195)

*Net Increase in Cash and Cash Equivalents* 22,626

*Cash and Cash Equivalents at Beginning of Year* \$ 89,216

*Cash and Cash Equivalents at End of Year* \$ 111,842

(Continued)

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)**

**Reconciliation of Operating Loss to Net  
Cash Used by Operating Activities:**

Operating Loss	\$ (440,271)
<b>Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities</b>	
Depreciation	26,328
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	8,945
(Increase)/Decrease in Intergovernmental Receivable	(1,158)
Increase/(Decrease) in Accounts Payable	841
Increase/(Decrease) in Accounts Payable - related parties	23,723
Increase/(Decrease) in Intergovernmental Payable	(15,584)
<i>Total Adjustments</i>	<u>43,095</u>
<i>Net Cash Used by Operating Activities</i>	<u><u>\$ (397,176)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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

**1. DESCRIPTION OF THE ACADEMY AND REPORTING ENTITY**

South Scioto Academy (the Academy) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Academy's mission is to provide an atmosphere where students will develop a thirst for learning, creative expression and awareness of new horizons. As a family of learners, students and staff exhibit depth of understanding, acceptance of others, personal integrity and responsibility, and a willingness to exercise leadership in their educational and social interactions. Staff, students and their families are committed to facing the challenges of the new century, believing that there is no problem too complex nor goal too lofty that cannot be mastered. 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 acquire facilities as needed and contract for any services necessary for the operation of the Academy.

The Academy is sponsored under a contract with the University of Toledo (the Sponsor) for a period of five years commencing July 1, 2011. 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. For 2013, the Academy paid \$34,583 to the Sponsor.

The Academy operates under the direction of a five member Governing Board. The Governing Board 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 Governing Board controls the Academy's instructional/support facility staffed by six non-certificated personnel and twelve certificated teaching personnel who provide services to 158 students.

The Governing Board has entered into a management contract with The Leona Group, LLC (TLG), a for-profit limited liability corporation, for management services and operation of its school. TLG operates the Academy's instructional/support facility, is the employer of record for all personnel and supervises and implements the curriculum. In exchange for its services, TLG receives a capitation fee and year-end fee. (See Note 13).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

The Academy's basic financial statements consist of a statement of net position, a statement of revenue, expenses, and changes in net position, and a statement of cash flows. Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows.

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

Enterprise 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 changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its enterprise activities.

**C. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. 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 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.

**D. 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 Academy's contract with its Sponsor. The contract between the Academy and its Sponsor does prescribe an annual budget requirement in addition to preparing a 5-year forecast which is to be updated on an annual basis.

**E. Capital Assets**

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the 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 furniture and equipment, library books, land, and buildings, or any one item costing under \$1,000 alone but purchased in a group for over \$2,500. Software costing more than \$10,000 per application is also capitalized. 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.



**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Capital Assets (continued)**

All reported capital assets except land 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:

Furniture, Fixtures and Equipment	7 years
EDP Equipment and Software	3 years
Non-EDP Equipment	6 years

**F. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activities. For the Academy, these revenues are primarily foundation payments. 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.

**G. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**H. Security Deposit**

The Academy entered into a lease for the use of the building for the administration and instruction of the Academy. Based on the lease agreement, a security deposit was required to be paid at the signing of the agreement. This amount, totaling \$150,000 less four annual \$20,000 refunds for a net of \$70,000, is held by the lessor. (See Note 11)

**I. Change in Accounting Principles**

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. These changes were incorporated in the Academy's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Change in Accounting Principles (continued)**

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). These changes were incorporated in the Academy's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

**3. DEPOSITS**

The Academy has designated one bank for the deposit of its funds. The Academy's deposits consist solely of checking and/or savings accounts at a local bank; therefore, the Academy has not adopted a formal investment policy. The Academy's cash is not subject to custodial credit risk due to entire bank balance being covered by FDIC disclosure.

**4. RECEIVABLES**

Receivables at June 30, 2013, consisted mostly of intergovernmental grants. All receivables are considered collectible in full and will be received within one year.

A summary of the principal items of receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amounts</u>
Title I	\$21,622
Title I SIG	50,936
Special ED Pt B	299
Race to the Top Carryover	41,393
Medicaid Ohio Health Plan	4,135
Casino Tax Revenue	3,999
	_____
Total Intergovernmental Receivables	\$122,384
 <u>Accounts Receivable</u>	
Vendor Refund	\$45
	_____

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2013:

	Balance 6/30/12	Additions	Deletions	Balance 6/30/13
<b>Business-Type Activity</b>				
Capital Assets Being Depreciated				
Furniture, Fixtures, and Equipment	\$ 159,173	\$ 18,195	\$ -	\$ 177,368
Leasehold Improvements	43,180	-	-	43,180
Library	20,905	-	-	20,905
Total Capital Assets				
Being Depreciated	<u>223,258</u>	<u>18,195</u>	<u>-</u>	<u>241,453</u>
Less Accumulated Depreciation:				
Furniture, Fixtures, and Equipment	(111,612)	(22,845)	-	(134,457)
Leasehold Improvements	(43,180)	-	-	(43,180)
Library	(11,038)	(3,483)	-	(14,521)
Total Accumulated Depreciation	<u>(165,830)</u>	<u>(26,328)</u>	<u>-</u>	<u>(192,158)</u>
Total Capital Assets				
Being Depreciated, Net	<u>\$ 57,428</u>	<u>\$ (8,133)</u>	<u>\$ -</u>	<u>\$ 49,295</u>

**6. RISK MANAGEMENT**

**A. 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 Philadelphia Insurance Company for general liability, property insurance and educational errors and omissions insurance.

Coverage is as follows:

Educator's Legal Liability:	
Part 1, D&O Liability, each claim	\$1,000,000
Part 2, Employment Practices, each claim	1,000,000
Aggregate, All Parts	2,000,000
General Liability:	
Per occurrence	1,000,000
Aggregate	2,000,000
Personal and ADV Injury	1,000,000
Automobile - Hired and Not Owned CSL	1,000,000
Property:	
Personal Property	210,000
BI	101,000
Umbrella	9,000,000

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

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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

**6. RISK MANAGEMENT (continued)**

**B. Workers' Compensation**

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

**7. DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The Academy 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. SERS issues a publicly available, stand-alone 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 Employers/Audit Resources.

Plan members are required to contribute 10% of their annual covered salary and the Academy 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 is 13.10%. The remaining .90% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's contributions to SERS for the years ended June 30, 2013, 2012, and 2011 were \$14,428, \$9,267, and \$10,772 respectively, which equaled the required contributions each year.

**B. State Teachers Retirement System of Ohio**

State Teachers Retirement System of Ohio (STRS Ohio) is 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, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

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.

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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

**7. DEFINED BENEFIT PENSION PLANS (continued)**

**B. State Teachers Retirement System of Ohio (continued)**

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 transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

**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.

**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.

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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

**7. DEFINED BENEFIT PENSION PLANS (continued)**

**B. State Teachers Retirement System of Ohio (continued)**

Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

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 are increased annually 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 who 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 10% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2013, were 10% of covered payroll for members and 14% for employers. The Academy's required contributions for pension obligations to STRS Ohio for the fiscal year ended June 30, 2013, 2012, and 2011 were \$41,227, \$34,836, and \$44,888 respectively; 100 percent has been contributed for all fiscal years.

Additional information or copies of STRS Ohio's 2012 Comprehensive Annual Financial Report can be requested 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 website at [www.strsoh.org](http://www.strsoh.org).

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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

**8. POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

The Medicare Part B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B 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. 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, 2012, and 2011 were \$815, \$547, and \$693 respectively, which equaled the required contributions each year.

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, pro-rated 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 for the years ended June 30, 2013, 2012, and 2011 were \$1,791, \$1,915, and \$3,087 respectively.

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 on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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

**8. POSTEMPLOYMENT BENEFITS (continued)**

**B. State Teachers Retirement System of Ohio**

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan, a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan. Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to Chapter 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free 1-888-227-7877.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for the years ended June 30, 2013, 2012 and 2011. The 14% employer contribution rate is the maximum rate established under Ohio law. The Academy's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$3,171, \$2,680, and \$3,453 respectively. 100 percent has been contributed for all fiscal years.

**9. CONTINGENCIES**

**A. Student Attendance and 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 funds. However, 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.

**B. Ohio Department of Education Enrollment Review**

The Ohio Department of Education reviews enrollment data and full time equivalency (FTE) calculations made by the schools. These reviews ensure the schools are reporting accurate student enrollment data of the State, upon which state foundation funding is calculated. The results of the review of the 2013 fiscal year is unavailable as of this writing. While the potential exists for a liability, management feels it is immaterial.



**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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

**10. PURCHASED SERVICE EXPENSES**

For the period ended June 30, 2013, purchased service expenses were payments for services rendered by various vendors, as follows:

<u>Purchased Service Expenses</u>	<u>Amount</u>
Salaries	\$438,977
Fringe Benefits	183,232
Other Professional Services	135,256
The Leona Group, LLC	186,985
Legal Fees	4,559
University of Toledo	34,583
Garbage Removal/Cleaning	24,426
Repairs and Maintenance	7,276
Facility Rental	161,667
Other Rentals and Leases	4,967
Communications	15,963
Advertising	6,979
Contracted Food Service	86,172
Transportation	<u>102,561</u>
 Total Purchased Services	 <u><u>\$1,393,603</u></u>

**11. OPERATING LEASES**

The Academy entered into a lease for the period July 1, 2006 through June 30, 2011 and extended through June 30, 2014, with TG707, Inc. Payments made totaled \$161,667 for the fiscal period.

The Academy has the option to extend the lease for one one-year term.

A security deposit in the amount of \$150,000 less annual refunds in the amount of \$20,000 is held by the landlord. The amount being held at June 30, 2013 was \$70,000.

The following is a schedule of the future minimum payments required under the operating leases as of June 30, 2013.

<u>Fiscal Year Ending June 30,</u>	<u>Facility Lease</u>
2014	<u>\$157,500</u>
 Total Minimum Lease Payments	 <u><u>\$157,500</u></u>

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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

**12. NOTES PAYABLE**

Debt Activity during fiscal year 2013 was as follows:

	Balance at 6/30/2012	Additions	Reductions	Balance at 6/30/2013
RBS Citizens Bank	\$0	\$75,000	\$75,000	\$0
School Facilities Loan – The Leona Group	70,000	0	0	70,000
<b>Total</b>	<b>\$70,000</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$70,000</b>

The Academy entered into a loan with RBS Citizens NA Bank for \$75,000 on September 7, 2012. The note was used to pay for general operations of the Academy. The note had a floating interest rate equal to the Prime Rate and had a maturity date of June 30, 2013.

The Academy borrowed \$150,000 from The Leona Group to pay the security deposit on the rental property they occupy (see note 11). Annual refunds against the security deposit are to be remitted to The Leona Group and applied to the outstanding note.

**13. RELATED PARTY TRANSACTIONS/MANAGEMENT AGREEMENT**

The Academy entered into a five-year contract, effective June 1, 2006 through June 30, 2011, with The Leona Group, LLC for educational management services for all of the management, operation, administration, and education at the Academy and is currently operating on an automatic three-year extension. In exchange for its services, TLG receives a capitation fee of 12% of the per pupil expenditures and a Year-End fee of 50% of the audited financial statement excess of revenues over expenses, if any. The amount paid to TLG for fiscal period 2013 totaled \$186,985. Terms of the contracts require TLG to provide the following:

- A. implementation and administration of the Educational Program;
- B. management of all personnel functions, including professional development;
- C. operation of the school building and the installation of technology integral to school design;
- D. all aspects of the business administration of the Academy;
- E. the provision of food service for the Academy; and
- F. any other function necessary or expedient for the administration of the Academy.

**SOUTH SCIOTO ACADEMY  
FRANKLIN COUNTY**

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

**13. RELATED PARTY TRANSACTIONS/MANAGEMENT AGREEMENT (continued)**

Also, there are expenses that are billed to the Academy based on the actual costs incurred for the Academy by The Leona Group, LLC. These expenses include rent, salaries of The Leona Group, LLC. employees working at the Academy, and other costs related to providing educational and administrative services.

For the year ended June 30, 2013, those expenses are as follows:

<u>Related Party Transactions</u>	<u>Amount</u>
Salaries and Wages	\$438,977
Benefits	183,232
Other Professional and Technical Services	18,002
Materials and Supplies	4,929
Communication	308
Advertising	37
Other Expenses	<u>6,476</u>
 Total Expenses	 <u><u>\$651,961</u></u>

At June 30, 2013, the Academy had payables to The Leona Group, LLC in the amount of \$81,554. The following is a schedule of payables to The Leona Group, LLC.:

<u>Due to The Leona Group, LLC</u>	<u>Amount</u>
Accrued Wages Payable	\$55,802
Contracts Payable	<u>25,752</u>
 Total Due	 <u><u>\$81,554</u></u>

**14. SUBSEQUENT EVENTS**

The Academy entered into a loan with RBS Citizens NA Bank for \$75,000 on August 29, 2013. The note will be used to pay for general operations of the Academy. The note has a floating interest rate equal to the Prime Rate and has a maturity date of June 30, 2014.

The Management Agreement between the Academy and the Management Company expired at June 30, 2011, and as of this writing is operating on an automatic three-year extension.

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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*

South Scioto Academy  
Franklin County  
707 East Jenkins Avenue  
Columbus, Ohio 43207

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 South Scioto Academy, Franklin 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 and have issued our report thereon dated March 25, 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***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 style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

March 25, 2014



# Dave Yost • Auditor of State

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

South Scioto Academy  
Franklin County  
707 East Jenkins Avenue  
Columbus, Ohio 43207

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, solely to assist the Board in evaluating whether South Scioto 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. 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 Academy amended its anti-harassment policy at its meeting on April 23, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

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

March 25, 2014

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# Dave Yost • Auditor of State

**SOUTH SCIOTO ACADEMY**

**FRANKLIN 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 8, 2014**