

# Life Skills Center of Cincinnati Hamilton County, Ohio

## *Audited Financial Statements*

For the Fiscal Year Ended  
June 30, 2014





# Dave Yost • Auditor of State

Board of Directors  
Life Skills Center of Cincinnati  
2612 Gilbert Avenue  
Cincinnati, Ohio 45206

We have reviewed the *Independent Auditor's Report* of the Life Skills Center of Cincinnati, Hamilton County, prepared by Rea & Associates, Inc., for the audit period July 1, 2013 through June 30, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Life Skills Center of Cincinnati is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

February 10, 2015

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**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

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December 20, 2014

To the Board of Directors  
Life Skills Center of Cincinnati  
2612 Gilbert Avenue  
Cincinnati, OH 45206

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the Life Skills Center of Cincinnati, Hamilton County, Ohio (the School), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2014, and the changes in its financial position and its cash flows for the year then ended in accordance with 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 that the management's discussion and analysis on pages 3-6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2014 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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 School's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Medina, Ohio

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

The discussion and analysis of the Life Skills Center of Cincinnati's (the School) financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the 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* issued 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 decreased \$67,036, which represents a 19.0 percent decrease from 2013.
- Total assets decreased \$95,898, which represents a 22.0 percent decrease from 2013. This decrease is due to the decrease in grants funding receivable.
- Liabilities decreased \$28,862, which represents a 34.6 percent decrease from 2013. This was due to the decrease in grants funding payable.

**Using this Financial Report**

This report consists of three parts, the MD&A, the financial statements, and notes to the financial statements. The financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.



**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Statement of Net Position**

The Statement of Net Position answers the question of how the School performed financially during 2014. This statement includes all assets, liabilities, and Net Position, both financial and capital, and current and long-term, using the accrual basis of accounting, which is 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 School's Net Position for fiscal year 2014 and fiscal year 2013.

(Table 1)

**Statement of Net Position**

|                              | 2014       | 2013       |
|------------------------------|------------|------------|
| <b>Assets</b>                |            |            |
| Current Assets               | \$ 328,668 | \$ 417,768 |
| Capital Assets, Net          | 11,664     | 18,462     |
| Total Assets                 | 340,332    | 436,230    |
| <br><b>Liabilities</b>       |            |            |
| Current Liabilities          | 54,550     | 83,412     |
| <br><b>Net Position</b>      |            |            |
| Investment in Capital Assets | 11,664     | 18,462     |
| Unrestricted                 | 274,118    | 334,356    |
| Total Net Position           | \$ 285,782 | \$ 352,818 |

Total assets decreased by \$95,898 from 2013. This decrease is directly related to the decrease in grants funding receivable. Liabilities decreased by \$28,862 from 2013. This decrease is related to the School's decrease in state funding payable and grants funding payable. The School operates under a management agreement with LS Cincinnati, LLC; under the terms of the management agreement, LS Cincinnati, LLC is paid a specific percentage of the state and federal revenues the School receives (see notes to the financial statements, note 8).

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

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

Table 2 shows the changes in Net Position for fiscal year 2014 and fiscal year 2013, as well as a listing of revenues and expenses.

(Table 2)

**Change in Net Position**

|                                     | 2014         | 2013        |
|-------------------------------------|--------------|-------------|
| <b>Operating Revenue</b>            |              |             |
| State Aid                           | \$ 1,031,964 | \$ 820,214  |
| <b>Non-Operating Revenues</b>       |              |             |
| Grants                              | 175,882      | 189,290     |
| Interest                            | 62           | 232         |
| Total Revenues                      | 1,207,908    | 1,009,736   |
| <b>Operating Expenses</b>           |              |             |
| Purchased Services: Management Fees | 985,525      | 783,305     |
| Purchased Services: Grant Programs  | 175,882      | 189,290     |
| Sponsorship Fees                    | 30,416       | 16,355      |
| Legal                               | 17,406       | 19,879      |
| Insurance                           | 11,370       | 17,275      |
| Auditing and Accounting             | 5,875        | 5,625       |
| Board of Education                  | 41,178       | 12,396      |
| Depreciation Expense                | 6,798        | 6,798       |
| Advertising                         | 42           | 1,315       |
| Miscellaneous                       | 452          | 84          |
| Total Expenses                      | 1,274,944    | 1,052,322   |
| Change in Net Position              | \$ (67,036)  | \$ (42,586) |

State aid revenues increased in 2014 due to an increase in enrollment. The School's most significant expense, "Purchased services: management fees" increased, which is due directly to the increase in state aid received. "Purchased services: grant programs" decreased because of the decrease in grant funding for the year and due to the management agreement in place during the audit period. The agreement provides that specific percentages of the revenues received by the School will be paid to LS Cincinnati, LLC to fund operations.

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Capital Assets**

At the end of fiscal year 2014 the School had \$11,664 invested in equipment and computer and software, which represents an decrease of \$6,798 from last year. Table 3 shows the respective balances for both fiscal years 2014 and 2013.

(Table 3)

**Capital Assets (Net of Depreciation)**

|                         | 2014             | 2013             |
|-------------------------|------------------|------------------|
| Equipment               | \$ 3,724         | \$ 11,014        |
| Computers and Equipment | 7,940            | 7,448            |
| Totals                  | <u>\$ 11,664</u> | <u>\$ 18,462</u> |

For more information on capital assets, see note 7 in the notes to the financial statements.

**Current Financial Issues**

The Life Skills Center of Cincinnati received revenue for 120 students in 2014 and continues to enroll students on a daily basis. State law governing community schools allows for the School to have open enrollment across traditional school district boundaries.

The School receives its support almost entirely from state aid. Per pupil revenue from state aid for the School averaged \$8,600 in fiscal year 2014. The School also receives revenues from grant subsidies.

Although there is a continuing possibility that state aid will be cut in future years due to the economic climate, the School feels that the relationship with the management company will insulate them from any significant change. The relationship brings stability to the School since specific percentages of revenues are payable to the management company (see notes to the financial statements, note 8).

**Contacting the School's Financial Management**

This financial report is designed to provide our readers with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information, contact the Fiscal Officer for the Life Skills Center of Cincinnati, 3320 West Market Street, Suite 300, Fairlawn, Ohio 44333.

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY  
STATEMENT OF NET POSITION  
JUNE 30, 2014**

**ASSETS**

Current assets

|                           |    |         |
|---------------------------|----|---------|
| Cash and cash equivalents | \$ | 301,892 |
| Grants funding receivable |    | 26,776  |
|                           |    | 328,668 |
| Total current assets      |    | 328,668 |

Noncurrent assets

|                     |  |        |
|---------------------|--|--------|
| Capital assets, net |  | 11,664 |
|                     |  | 11,664 |

|                     |  |         |
|---------------------|--|---------|
| <b>Total assets</b> |  | 340,332 |
|---------------------|--|---------|

**LIABILITIES**

Current liabilities

|                         |  |        |
|-------------------------|--|--------|
| Accounts payable        |  | 3,528  |
| Continuing fees payable |  | 5,393  |
| Grants funding payable  |  | 45,629 |
|                         |  | 54,550 |

|                          |  |        |
|--------------------------|--|--------|
| <b>Total liabilities</b> |  | 54,550 |
|--------------------------|--|--------|

**NET POSITION**

|                              |    |         |
|------------------------------|----|---------|
| Investment in capital assets |    | 11,664  |
| Unrestricted                 |    | 274,118 |
|                              |    | 285,782 |
| <b>Total net position</b>    | \$ | 285,782 |

The accompanying notes to the financial statements are an integral part of this statement.

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014**

**OPERATING REVENUE**

|           |              |
|-----------|--------------|
| State aid | \$ 1,031,964 |
|-----------|--------------|

**OPERATING EXPENSES**

|                                     |         |
|-------------------------------------|---------|
| Purchased services: management fees | 985,525 |
| Purchased services: grant programs  | 175,882 |
| Sponsorship fees                    | 30,416  |
| Legal                               | 17,406  |
| Insurance                           | 11,370  |
| Auditing and accounting             | 5,875   |
| Board of education                  | 41,178  |
| Depreciation                        | 6,798   |
| Advertising                         | 42      |
| Miscellaneous                       | 452     |

|                                 |                  |
|---------------------------------|------------------|
| <b>Total operating expenses</b> | <b>1,274,944</b> |
|---------------------------------|------------------|

|                       |                  |
|-----------------------|------------------|
| <b>Operating loss</b> | <b>(242,980)</b> |
|-----------------------|------------------|

**NON-OPERATING REVENUES**

|          |         |
|----------|---------|
| Grants   | 175,882 |
| Interest | 62      |

|                                     |                |
|-------------------------------------|----------------|
| <b>Total non-operating revenues</b> | <b>175,944</b> |
|-------------------------------------|----------------|

|                               |                 |
|-------------------------------|-----------------|
| <b>Change in net position</b> | <b>(67,036)</b> |
|-------------------------------|-----------------|

|                                   |                |
|-----------------------------------|----------------|
| <b>Net position, July 1, 2013</b> | <b>352,818</b> |
|-----------------------------------|----------------|

|                                    |                   |
|------------------------------------|-------------------|
| <b>Net position, June 30, 2014</b> | <b>\$ 285,782</b> |
|------------------------------------|-------------------|

The accompanying notes to the financial statements are an integral part of this statement.

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2014**

**INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

**CASH FLOWS FROM / (USED BY) OPERATING ACTIVITIES**

|   |                    |
|---|--------------------|
| Cash received from state aid                      | \$ 1,031,964       |
| Cash payments to suppliers for goods and services | <u>(1,296,903)</u> |
| Net cash used for operating activities            | (264,939)          |

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

|                                   |         |
|-----------------------------------|---------|
| Cash received from grant programs | 213,583 |
|-----------------------------------|---------|

**CASH FLOWS FROM INVESTING ACTIVITIES**

|  |                          |
|--|--------------------------|
| Cash received from interest income             | <u>62</u>                |
| Net decrease in cash and cash equivalents      | (51,294)                 |
| Cash and cash equivalents at beginning of year | <u>353,186</u>           |
| Cash and cash equivalents at end of year       | <u><u>\$ 301,892</u></u> |

**RECONCILIATION OF OPERATING LOSS TO NET CASH  
USED FOR OPERATING ACTIVITIES**

|                |                     |
|----------------|---------------------|
| Operating loss | <u>\$ (242,980)</u> |
|----------------|---------------------|

**ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET  
CASH USED FOR OPERATING ACTIVITIES**

|  |                            |
|--|----------------------------|
| Depreciation                           | 6,798                      |
| Changes in assets and liabilities:     |                            |
| Sponsorship fees receivable            | 105                        |
| Accounts payable                       | 3,528                      |
| Continuing fees payable                | 5,393                      |
| Grants funding payable                 | <u>(37,783)</u>            |
| Total adjustments                      | <u>(21,959)</u>            |
| Net cash used for operating activities | <u><u>\$ (264,939)</u></u> |

The accompanying notes to the financial statements are an integral part of this statement.

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

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

Life Skills Center of Cincinnati (the School) is a federal 501(c)(3) tax exempt, state nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to maintain and provide a school exclusively for any educational, literary, scientific and related teaching service. The School, which is part of the State's education program, is independent of any school district. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School.

The School contracts with LS Cincinnati, LLC for most of its functions (see note 8).

The School signed a contract with Ohio Council of Community Schools (OCCS) to operate for a period from July 1, 2005 through June 30, 2010. The contract with the Sponsor has since been renewed for an additional three year term commencing July 1, 2010 and running through June 30, 2013. Effective July 1, 2013, the School signed a contract with St. Aloysius (Sponsor), commencing on the effective date, and expiring June 30, 2015. The School operates under a self-appointing, seven-member Board of Directors (the Board). The School's Code of Regulations specify that vacancies that arise on the Board will be filled by the appointment of a successor director by a majority vote of the then existing directors. The Board is responsible for carrying out the provisions of the contract with the Sponsor, 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 School has one instructional/support facility, which is leased by LS Cincinnati, LLC. The facility is staffed with teaching personnel employed by LS Cincinnati, LLC, who provide services to 120 students.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the School 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 School's accounting policies are described below.

**A. BASIS OF PRESENTATION**

The School's financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. Enterprise fund reporting focuses on the determination of the change in Net Position, financial position and cash flows.

Auditor of State of Ohio Bulletin No. 2000-005 requires the presentation of all financial activity to be reported within one enterprise fund for year-end reporting purposes. 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) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014  
(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. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total Net Position. 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.

**C. BUDGETARY PROCESS**

Unlike traditional 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 School's contract with its Sponsor. The contract between the School and its Sponsor requires a detailed school budget for each year of the contract. In addition, the Board adopted an operating budget at the beginning of fiscal year 2014. However, the budget does not have to follow the provisions of Ohio Rev. Code Section 5705, except for section 5705.391 as it relates to five-year forecasts.

**D. CASH AND CASH EQUIVALENTS**

All cash received by the School is maintained in a demand deposit account and STAROhio. For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Position, investments with an original maturity of three months or less at the time they are purchased are considered to be cash equivalents.

During fiscal year 2014, investments were limited to the State Treasurer's Investment Pool, STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2014.

**E. INTERGOVERNMENTAL REVENUES**

The School currently participates in the State Foundation Program and casino tax distributions which are reflected under "State aid" on the Statement of Revenues, Expenses, and Changes in Net Position. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

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



**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014  
(Continued)**

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

**E. INTERGOVERNMENTAL REVENUES (Continued)**

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 School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. Amounts awarded under the above programs for the 2014 school year totaled \$1,207,846.

**F. CAPITAL ASSETS AND DEPRECIATION**

For purposes of recording capital assets, the Board has a capitalization threshold of \$5,000.

The capital assets are recorded on the accompanying Statement of Net Position at cost, net of accumulated depreciation, at \$11,664. Depreciation is computed by the straight-line method over three years for "Computers and Software" and five years for "Equipment".

Aside from those mentioned above, the School has no other capital assets, as the School operates under a management agreement with LS Cincinnati, LLC (see note 8).

**G. USE OF ESTIMATES**

In preparing the financial statements, management is sometimes required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**H. OPERATING REVENUES AND EXPENSES**

Operating revenues are those revenues that are generated directly from the School's primary activities. For the School, these revenues are primarily state aid payments. Operating expenses are necessary costs incurred to provide the goods and services that are the primary activities of the School. Revenues and expenses not meeting this definition are reported as non-operating.

**I. CHANGE IN ACCOUNTING PRINCIPLES**

For 2014, GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The implementation of GASB Statement No. 65 did not have an effect on the financial statements of the Academy.

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014  
(Continued)**

**3. DEPOSITS AND INVESTMENTS**

**A. Deposits with Financial Institutions**

At June 30, 2014, the carrying amount of all School deposits was \$41,942. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2014, none of the School's bank balance of \$46,965 was exposed to custodial risk as discussed below, since all of the bank balance was covered by the Federal Depository Insurance Corporation.

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

**B. Investments**

As of June 30, 2014, the School had the following investments and maturities:

| <u>Investment type</u> | <u>Balance at<br/>fair value</u> | <u>Investment Maturities</u> |                           |                                   |
|------------------------|----------------------------------|------------------------------|---------------------------|-----------------------------------|
|                        |                                  | <u>6 months or<br/>less</u>  | <u>7 to 12<br/>months</u> | <u>Greater than<br/>24 months</u> |
| STAROhio               | \$ 259,950                       | \$ 259,950                   | \$ -                      | \$ -                              |

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the School's investment policy limits investment portfolio maturities to five years or less. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2014, is 51 days.

*Credit Risk:* Standard & Poor's has assigned STAROhio an AAAM money market rating.

*Concentration of Credit Risk:* The School places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the School at June 30, 2014:

| <u>Investment type</u> | <u>Fair Value</u> | <u>% to Total</u> |
|------------------------|-------------------|-------------------|
| STAROhio               | \$ 259,950        | 100.00            |

**4. GRANTS FUNDING RECEIVABLE/PAYABLE**

The School has recorded "Grants funding receivable" in the amount of \$26,776 to account for the remainder of State and Federal awards allocated to the School, but not received as of June 30, 2014.

Under the terms of the management agreement (see note 8), the School has recorded a liability to LS Cincinnati, LLC in the amount of \$45,629 for 100 percent of any State and Federal monies uncollected or unpaid to LS Cincinnati, LLC as of June 30, 2014.

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014  
(Continued)**

**5. CONTINUING FEES PAYABLE**

A "Continuing fees payable" to LS Cincinnati, LLC has been recorded by the School in the amount of \$5,393.

**6. RISK MANAGEMENT**

**Property and Liability** - The School is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As part of its management agreement with LS Cincinnati, LLC, LS Cincinnati, LLC has contracted with an insurance company for property and general liability insurance pursuant to the management agreement (see note 8). There was no significant reduction in insurance coverage from the prior year and claims have not exceeded insurance coverage over the past three years.

**Director and Officer** - Coverage has been purchased by the School with a \$5,000,000 aggregate limit and a \$15,000 deductible.

**7. CAPITAL ASSETS AND DEPRECIATION**

For the year ended June 30, 2014, the School's capital assets consisted of the following:

|  | Balance<br>06/30/13 | Additions         | Deletions   | Balance<br>06/30/14 |
|--|---------------------|-------------------|-------------|---------------------|
| <b>Capital Assets</b>                              |                     |                   |             |                     |
| <b>Being Depreciated:</b>                          |                     |                   |             |                     |
| Equipment  | \$ 15,369           | \$ -              | \$ -        | \$ 15,369           |
| Computers and Software                             | <u>11,172</u>       | <u>-</u>          | <u>-</u>    | <u>11,172</u>       |
| <b>Total Capital Assets Being Depreciated</b>      | <u>26,541</u>       | <u>-</u>          | <u>-</u>    | <u>26,541</u>       |
| <b>Less Accumulated Depreciation:</b>              |                     |                   |             |                     |
| Equipment  | (4,355)             | (3,074)           | -           | (7,429)             |
| Computers and Software                             | <u>(3,724)</u>      | <u>(3,724)</u>    | <u>-</u>    | <u>(7,448)</u>      |
| <b>Total Accumulated Depreciation</b>              | <u>(8,079)</u>      | <u>(6,798)</u>    | <u>-</u>    | <u>(14,877)</u>     |
| <b>Total Capital Assets Being Depreciated, Net</b> | <u>\$ 18,462</u>    | <u>\$ (6,798)</u> | <u>\$ -</u> | <u>\$ 11,664</u>    |

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014  
(Continued)**

**8. AGREEMENT WITH LS CINCINNATI, LLC**

Effective June 19, 2009, the School renewed its management agreement (Agreement) with LS Cincinnati, LLC, which is an educational consulting and management company. The Agreement's term will renew for additional, successive five (5) year terms unless one party notifies the other party on or before February 1<sup>st</sup> prior to the expiration of the then-current term of its intention to not renew the Agreement. Substantially all functions of the School have been contracted to LS Cincinnati, LLC. LS Cincinnati, LLC is responsible and accountable to the School's Board of Directors for the administration and operation of the School. The School is required to pay LS Cincinnati, LLC a monthly continuing fee of 95.5 percent of the School's "Qualified Gross Revenues", defined as all revenues and income received by the School except for charitable contributions. Also LS Cincinnati, LLC shall receive 100 percent of any and all grants (except ed jobs) or funding of any kind generated by LS Cincinnati, LLC, and its affiliates beyond the regular per pupil state funding received by the School, subject to any terms and conditions attached to the grants, if any. This continuing fee is paid to LS Cincinnati, LLC based on the qualified gross revenues.

An amended management agreement went into effect in February 2011 to "permit the employment by the non-profit of school level employees who are funded by Ed Jobs". This agreement allowed the School to utilize their Ed Jobs funds for special education services supplied by another entity. Both parties agree that the "amendment will expire upon the non-profit's expenditure of the Education Jobs Fund Program Funding".

The School had purchased service expenses for the year ended June 30, 2014, of \$1,161,407, of which \$51,022 was payable to LS Cincinnati, LLC as of June 30, 2014. LS Cincinnati, LLC will be responsible for all costs incurred in providing the educational program at the School, which include but are not limited to, salaries and benefits of all personnel (excluding Ed Jobs personnel), curriculum materials, textbooks, library books, computers and other equipment, software, supplies, building payments, maintenance, capital, and insurance.

**9. SPONSORSHIP FEES**

Under Paragraph D(5) of the sponsor contract with OCCS, it states that the School "...shall pay to the Sponsor the amount of three percent (3%) of the total state funds received each year, in consideration for the time, organization, oversight, fees and costs of the Sponsor pursuant to this contract." Such fees are paid to the OCCS monthly. As indicated on the Statement of Revenues, Expenses, and Changes in Net Position, the School incurred \$30,416 in sponsorship fees to St. Aloysius.

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014  
(Continued)**

**10. MANAGEMENT COMPANY EXPENSES**

For the year ended June 30, 2014, LS Cincinnati, LLC and its affiliates incurred the following expenses on behalf of the School.

|                                     |           | <u>2014</u>      |
|-------------------------------------|-----------|------------------|
| <b>Expenses</b>                     |           |                  |
| <b>Direct Expenses:</b>             |           |                  |
| Salaries and wages                  | \$        | 312,824          |
| Employees' benefits                 |           | 76,948           |
| Professional and technical services |           | 153,034          |
| Property services                   |           | 200,605          |
| Travel                              |           | 2,786            |
| Communications                      |           | 50,275           |
| Utilities                           |           | 41,801           |
| Transportation                      |           | 17,325           |
| Books, periodicals, and films       |           | 725              |
| Food and related supplies           |           | 15,514           |
| Other supplies                      |           | 69,286           |
| Depreciation                        |           | 13,092           |
| Other direct costs                  |           | 26,296           |
| <b>Indirect Expenses:</b>           |           |                  |
| Overhead                            |           | 304,060          |
| <b>Total Expenses</b>               | <u>\$</u> | <u>1,284,571</u> |

Overhead charges are assigned to the School based on a percentage of revenue. These charges represent the indirect cost of services provided in the operation of the School. Such services include, but are not limited to facilities management, equipment, operational support services, management and management consulting, board relations, human resources management, training and orientation, financial reporting and compliance, purchasing and procurement, education services, technology support and marketing and communications.

**11. DEFINED BENEFIT PENSION PLANS**

The School has contracted with LS Cincinnati, LLC to provide employee services and to pay those employees. However, these contract services do not relieve the School of the obligation for remitting pension contributions. The retirement systems consider the School as the Employer-of-Record and the School ultimately responsible for remitting retirement contributions to each of the systems noted below (see note 8):

**A. SCHOOL EMPLOYEES RETIREMENT SYSTEM**

Plan Description – LS Cincinnati, LLC, on behalf of 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. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That 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.

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014  
(Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

**A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (Continued)**

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and LS Cincinnati, LLC, on behalf of the School, is required to contribute 14 percent 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, 2014, the allocation to pension and death benefits is 13.1 percent. The remaining 0.9 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The School's contributions to SERS for the years ended June 30, 2014, 2013, and 2012, were \$4,606, \$4,620, and \$7,365, respectively, which equaled the required contributions each year.

**B. STATE TEACHERS RETIREMENT SYSTEM**

Plan Description- LS Cincinnati, LLC, on behalf of the School, contributes to the State Teachers Retirement System of Ohio (STRS Ohio), which is a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members, and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report, which may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account.

Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014  
(Continued)**

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

**B. STATE TEACHERS RETIREMENT SYSTEM (Continued)**

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

Funding Policy- For the fiscal year ended June 30, 2014, plan members were required to contribute 11 percent of their annual covered salaries. LS Cincinnati, LLC on behalf of the School was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2014, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 11 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School's required contributions for pension obligations to STRS Ohio for fiscal years ended June 30, 2014, 2013, and 2012, were \$36,094, \$31,202, and \$48,032, respectively; of which 100 percent has been contributed. Contributions to the DC and Combined Plans for fiscal year 2014 were \$4,226 made by the School and \$3,321 made by the plan members.

**C. SOCIAL SECURITY SYSTEM**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. The contribution rate is 6.2 percent of wages. As of June 30, 2014, there were no members that elected Social Security.

**12. POSTEMPLOYMENT BENEFITS**

**A. SCHOOL EMPLOYEE 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 premium for calendar year 2014 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.

**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014  
(Continued)**

**12. POSTEMPLOYMENT BENEFITS (Continued)**

**A. SCHOOL EMPLOYEE RETIREMENT SYSTEM (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 2014, the actuarially required allocation is .76 percent. LS Cincinnati, LLC's contributions on behalf of the School for the years ended June 30, 2014, 2013, and 2012, were \$250, \$248, and \$435, respectively, which equaled the required contributions each year.

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 percent contribution to the Health Care Fund. For the year ended June 30, 2014, the health care allocation is .55 percent. 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 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the minimum compensation level was established at \$20,250. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. LS Cincinnati, LLC's contributions on behalf of the School assigned to health care for the years ended June 30, 2014, 2013, and 2012, were \$181, \$0, and \$1,479, 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 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.



**LIFE SKILLS CENTER OF CINCINNATI  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014  
(Continued)**

**12. POSTEMPLOYMENT BENEFITS (Continued)**

**B. STATE TEACHERS RETIREMENT SYSTEM**

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2014, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012, were \$2,578, \$3,120, and \$3,695, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

**13. CONTINGENCIES**

**Grants**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, in the opinion of the School, any such adjustments will not have a material adverse effect on the financial position of the School.

**Enrollment FTE**

The Ohio Department of Education conducts reviews of enrollment and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The conclusions of this review could result in state funding being adjusted. Adjustments to the state funding received during fiscal year 2014 are immaterial and will be included in the financial activity for fiscal year 2015.

December 20, 2014

To the Board of Directors  
Life Skills Center of Cincinnati  
2612 Gilbert Avenue  
Cincinnati, OH 45206

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Life Skills Center of Cincinnati, Hamilton County, Ohio (the School), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 20, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rea & Associates, Inc.*

Medina, Ohio

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# Dave Yost • Auditor of State

**LIFE SKILLS CENTER OF CINCINNATI**

**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  
FEBRUARY 24, 2015**