



Dave Yost • Auditor of State

**PACE HIGH SCHOOL
HAMILTON COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

PACE High School
Hamilton County
c/o Educational Center of Lake Erie West (the Sponsor)
4955 Seaman Road
Oregon, Ohio 43616

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of PACE High School, Hamilton County, Ohio (the School), as of and for the years ended June 30, 2014 and 2013, 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 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 School'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 School's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the PACE High School, Hamilton County as of June 30, 2014 and 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.

Emphasis of Matter

As discussed Note 12 of the financial statements, the School closed effective June 30, 2014. This matter does not affect our opinion on these financial statements.

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 September 2, 2015, on our consideration of the School'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 School's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

September 2, 2015

**P.A.C.E. HIGH SCHOOL
HAMILTON COUNTY**

**MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 (UNAUDITED)**

The discussion and analysis of P.A.C.E. High School's (the School) financial performance provides an overall review of the School's financial activities for the fiscal ended June 30, 2014. The intent of this discussion and analysis is to look at the financial statements and notes to the basic financial statements to enhance their understanding of the School's financial performance.

Financial Highlights

- Net Position at June 30, 2014 was (\$706,761). This was an increase of \$181,791 from June 30, 2013
- Total Assets were \$36,245 at June 30, 2014. This was a decrease of \$12,367 from June 30, 2013. Cash comprised \$6,626 of total assets at June 30, 2014.
- Total Liabilities were \$743,006 at June 30, 2014. This was a decrease of \$194,158 from June 30, 2013. Seventy-seven percent of total liabilities at June 30, 2014 was comprised of the loans from the School's Director.

Using this Financial Report

This report consists of three parts, the MD&A, the basic financial statement, and notes to those statements. The basic financial statements include a statement of net assets, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Balance, answers the question, "How did we do financially during 2014?"

MD&A does not adequately analyze financial position and results of operations.

Statement of Net Position

The Statement of Net Position includes all assets and liabilities, both financial and capital, and short-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 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 years 2014, 2013, and 2012.

**P.A.C.E. HIGH SCHOOL
HAMILTON COUNTY**

**MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)**

**Table 1
Net Position**

	2014	2013	\$ Variance	2012	\$ Variance
Assets					
Current Assets					
Cash	6,626	12,555	(5,929)	16,442	(3,887)
Intergovernmental Receivable	5,494	-	5,494	9,057	(9,057)
Prepayments	<u>22,811</u>	<u>33,570</u>	<u>(10,759)</u>	<u>50,505</u>	<u>(16,935)</u>
Total Current Assets	34,931	46,125	(11,194)	76,004	(29,879)
Depreciable Capital Assets, Net	1,314	2,487	(1,173)	3,660	(1,173)
Total Assets	36,245	48,612	(12,367)	79,664	(31,052)
Liabilities					
Current Liabilities					
Accounts Payable	169,315	203,260	(33,945)	187,482	15,778
Accrued Wages	-	40,238	(40,238)	49,359	(9,121)
Intergovernmental Payable	-	<u>107,807</u>	<u>(107,807)</u>	<u>174,292</u>	<u>(66,485)</u>
Total Current Liabilities	169,315	351,305	(181,990)	411,133	(59,828)
Non-Current Liabilities					
Loan from School Director	573,512	576,404	(2,892)	461,480	114,924
Line of Credit	<u>179</u>	<u>9,455</u>	<u>(9,276)</u>	<u>8,027</u>	<u>1,428</u>
Total Non-Current Liabilities	573,691	585,859	(12,168)	469,507	116,352
Total Liabilities	743,006	937,164	(194,158)	880,640	56,524
Net Position					
Invested in Capital Assets	1,314	2,487	(1,173)	3,660	(1,173)
Unrestricted	<u>(708,075)</u>	<u>(891,039)</u>	<u>182,964</u>	<u>(804,636)</u>	<u>(86,403)</u>
Total Net Position	(706,761)	(888,552)	181,791	(800,976)	(87,576)

Cash decreased \$5,929 as a result of decreasing revenues during 2014. Net prepaid items decreased \$10,759 as a result of SERS reimbursements. Intergovernmental Receivable increased by \$5,494 due to Title I and Casino revenue received in August and September 2014 for school year 2014 and no receivables identified for 2013.

Capital assets decreased \$1,173 as the result of depreciation. Total assets decreased primarily as a result of the decrease in revenues.

**P.A.C.E. HIGH SCHOOL
HAMILTON COUNTY**

**MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)**

Total liabilities decreased \$194,158 due to the closing of the school at the end of school year 2014. As a result of the closing there were no Accrued Wages at June 30, 2014. Also, during 2014 the school paid off the Intergovernmental Payable owed to the State of Ohio for prior years audit findings which were deducted from the monthly Foundation Payment.

**Table 2
Statement of Revenues, Expenses & Changes in Net Position**

Table 2 provides a summary of the School's change in net position for 2014, 2013, and 2012 as well as a listing of revenues and expenses.

	2014	2013	\$ Variance	2012	\$ Variance
Operating Revenues					
Foundation Payments	628,252	702,691	(74,439)	838,250	135,559
Special Education	71,990	74,377	(2,387)	96,906	22,529
Total Operating Revenues	700,242	777,068	(76,826)	935,156	158,088
Operating Expenses					
Salaries	291,338	436,982	(145,644)	538,243	101,261
Fringe Benefits	36,148	139,163	(103,015)	191,064	51,901
Purchased Services	321,736	385,889	(64,153)	380,538	5,351
Materials & Supplies	2,229	5,956	(3,727)	12,395	6,439
Depreciation	1,173	1,173	-	89,260	15,316
Capital Outlay	-	-	-	508	508
Other Expenses	7,749	73,944	(66,195)	1,173	-
Total Operating Expenses	660,373	1,043,107	(382,734)	1,212,979	169,872
Operating Income (Loss)	39,869	(266,039)	305,908	(277,825)	11,786
Non-Operating Activity					
State & Federal Grants	93,451	133,660	(40,209)	214,132	(80,472)
Miscellaneous Income	51,118	76,467	(25,349)	1,789	74,678
Debt Issuance Cost	-	(31,664)	31,664	-	31,664
Credit Card O/S Write-Off	250	-	250	-	-
Credit Card Fees & Interest	(2,185)	-	(2,185)		
Loan Interest	(712)	-	(712)	-	-
Non-Operating Activity	141,922	178,463	(36,541)	215,921	37,458
Change in Net Position	181,791	(87,576)	269,367	(61,902)	(25,561)
Prior Period Adjustment	-	-	-	(44,605)	44,605
Net Position BOY	(888,552)	(800,976)	(87,576)	(694,467)	(106,509)
Net Position EOY	(706,761)	(888,552)	181,791	(800,976)	(87,576)

**P.A.C.E. HIGH SCHOOL
HAMILTON COUNTY**

**MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)**

Operating Revenues decreased from 2013 to 2014 by \$76,826. This decrease of 10% from 2013 to 2014 was primarily due to a decrease in Foundation of \$74,439 as a result of decreasing enrollment.

Operating Expenses decreased by \$382,734 as the result of cost-cutting measures in most categories. The largest cuts were as follows: salaries decreased \$145,644 (33%), purchased services decreased \$64,153 (17%), and other expenses decreased \$66,195 (90%). The reduction in salaries was a result of salary cuts and not replacing staff upon termination. The reduction in other expenses was a result of the reduced audit fees, less interest paid on loans, and reduced insurance premiums. The reduction in purchased services was due to corrections made to accounts payable which were charged to purchased services.

Capital Assets

At the end of the fiscal year 2014, the School had a total of \$1,314 in capital assets, net of accumulated depreciation. Table 3 is a summary of changes in the School's capital assets from fiscal year 2013 to fiscal year 2014.

**Table 3
Capital Assets**

Depreciable Assets	7/1/13 Balance	Additions	Deletions	6/30/14 Balance
Computers	112,525	0	0	112,525
Classroom Furniture	<u>5,866</u>	<u>0</u>	<u>0</u>	<u>5,866</u>
Total Depreciable Assets	118,391	0	0	118,391
Less Accumulated Depreciation	<u>(115,904)</u>	<u>(1,173)</u>	<u>0</u>	<u>(117,077)</u>
Capital Assets, Net	2,487	(1,173)	0	1,314

Long-Term Debt

At June 30, 2014, the School had \$573,691 in long-term debt outstanding.

**Table 4
Long Term Debt**

Description	7/1/13 Balance	Additions	Deletions	6/30/14 Balance	Interest Rate
Dr. Hawley Line of Credit	9,455	2,985	12,261	179	19.24%
Dr. Hawley Refinance #1	257,297	0	2,697	254,600	4%
Dr. Hawley Refinance #2	198,400	0	4,195	194,205	4%
Dr. Hawley 2013 Note	<u>120,707</u>	<u>4,000</u>	<u>0</u>	<u>124,707</u>	4%
Total Dr. Hawley Loans	576,404	4,000	6,892	573,512	
Total Loans & Line of Credit	585,859	6,985	19,153	573,691	

**P.A.C.E. HIGH SCHOOL
HAMILTON COUNTY**

**MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)**

Current Financial Issues

P.A.C.E. High School was formed in 2005. During the 2014 school year, there was an average of 100 students enrolled in the School. The School receives its finances mostly from state aid. Per pupil aid for fiscal year 2014 amounted to \$7,186 per student. The average number of years' experience for teachers was 5 years.

Due to going concern issues over the last several years and the lack of facilities for the 2015 School Year PACE closed at the end of the 2014 School Year.

Contacting the School's Financial Management

This financial report is designed to provide our constituents 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 Treasurer, at 1601 California Avenue, Cincinnati, OH 45237.

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**PACE High School
Hamilton County, Ohio**

Statement of Net Position
June 30, 2014

	2014	2013
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 6,626	\$ 12,555
Intergovernmental receivable	5,494	-
Prepayments	22,811	33,570
Total current assets	34,931	46,125
Non-current assets:		
Depreciable capital assets, net	1,314	2,487
Total non-current assets	1,314	2,487
Total assets	36,245	48,612
Liabilities:		
Current liabilities:		
Accounts payable	169,315	203,260
Accrued Wages	-	40,238
Intergovernmental payable	-	107,807
Total current liabilities	169,315	351,305
Non-current liabilities:		
Due to Superintendent	573,512	576,404
Line of Credit	179	9,455
Total non-current liabilities	573,691	585,859
Total liabilities	743,006	937,164
Net position:		
Investment in capital assets	1,314	2,487
Unrestricted (deficit)	(708,075)	(891,039)
Total net position	\$ (706,761)	\$ (888,552)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PACE High School
Hamilton County, Ohio**

Statement of Revenues, Expenses, &
Changes in Net Position
For the Period July 1, 2013 through June 30, 2014

	2014	2013
Operating revenues:		
Foundation payments	\$ 628,252	\$ 702,691
Special Education	71,990	74,377
Total operating revenues	700,242	777,068
 Operating expenses:		
Salaries.	291,338	436,982
Fringe benefits.	36,148	139,163
Purchased services.	321,736	385,889
Materials and supplies	2,229	5,956
Depreciation	1,173	1,173
Other operating expenses.	7,749	73,944
Total operating expenses.	660,373	1,043,107
 Operating income (loss)	39,869	(266,039)
 Non-operating revenues and expenses:		
Intermediate, State and federal grants	93,451	133,660
Miscellaneous Income	51,118	76,467
Debt Issuance Cost	-	(31,664)
Credit Card Outstanding Check Write-Off	250	-
Credit Card Fees & Interest	(2,185)	-
Loan Interest	(712)	-
Total non-operating revenues and expenses.	141,922	178,463
 Change in net position	181,791	(87,576)
 Net position at beginning of the period	(888,552)	(800,976)
Net position at end of the period.	\$ (706,761)	\$ (888,552)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PACE High School
Hamilton County, Ohio
Statement of Cash Flows
For the Period July 1, 2013 through June 30, 2014

	2014	2013
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Foundation Payments	\$ 700,242	\$ 784,937
Cash Payments to Employees	(328,234)	(584,292)
Cash Payments for Goods & Services	(349,541)	(5,527)
Cash Payments for Employee Benefits	(144,807)	(441,926)
Cash Payments for Other Expenses	(7,849)	-
<i>Net Cash Used for Operating Activities</i>	(130,189)	(246,808)
<u>Cash Flows from Non-Capital Financing Activities</u>		
Non-Operating Grants Received	87,957	134,847
Other	51,118	76,467
<i>Net Cash Provided by Noncapital Financing Activities</i>	139,075	211,314
<u>Cash Flows from Capital & Related Financing Activities</u>		
Credit Card Payments	(12,011)	-
Advance from Credit Card	800	-
Proceeds from Superintendent Loan	4,000	89,073
Principal and Interest Payments on Loan	(7,604)	(5,813)
Deposit	-	13,403
Bank Funded Credit	-	1,428
Adjustment for Intergovernmental Payable	-	(66,484)
<i>Net Cash Provided (Used) by Capital & Related Financing Activities</i>	(14,815)	31,607
Net Increase (Decrease) in Cash and Cash Equivalents	(5,929)	(3,887)
Cash & Cash Equivalents Beginning of Year	12,555	16,442
Cash & Cash Equivalents End of Year	\$ 6,626	\$ 12,555
Operating Income (Loss) - per Operating Statement	\$ 39,869	\$ (266,039)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation Expense	1,173	1,173
Changes in Assets & Liabilities		
Prepaid Items	10,759	(16,938)
Intergovernmental Receivable	-	9,057
Accounts Payable	(33,945)	17,310
Accrued Wages & Benefits	(40,238)	(8,147)
Intergovernmental Payable	(107,807)	(66,484)
Loan from Superintendent	-	83,260
Total Adjustments	(170,058)	19,231
Net Cash Used for Operating	\$ (130,189)	\$ (246,808)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**PACE HIGH SCHOOL
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 – DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

P.A.C.E. High School, Hamilton County, Ohio (the School), is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of students by utilizing an approved evaluation involving the community. The School, 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 School may sue and be sued, acquire facilities as needed, and contracts for any services necessary for the operation of the School.

The School was approved for operation under contract with the Educational Service Center of Lake Erie West (formerly known as Lucas County Educational Service Center) (the Sponsor) until June 30, 2015. The sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expirations or terminate the contract prior to its expiration.

The School operates under the direction of a five-member Board of Trustees of which the majority must be community residents. The Board of Trustees is responsible for carrying out the provisions of the contract which include, but are not limited to, state mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualifications of teachers. The Board of Trustees controls the School's instructional/support facility staffed by 4 non-certified employees and 6 certificated full time teaching personnel who provide services to 100 students.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School also applies Financial Accounting Standards board (FASB) statements and interpretations issued November 30, 1989, to its proprietary activities, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School's accounting policies are described below.

Basis of Presentation

The School's basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

The School uses enterprise accounting to maintain its financial records. Enterprise fund reporting focuses on the determination of the change in net position, financial position and cash flows.

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

**PACE HIGH SCHOOL
HAMILTON COUNTY**

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. Basis of accounting relates to the timing of the measurement made.

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

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 community school's contract with its Sponsor. The contract between the School and its Sponsor does prescribe an annual budget requirement in addition to preparing a five-year forecast, which is to be updated on an annual basis. The School follows a budget that is adopted and revised as needed.

Prepaid Items

Payments made to vendors or employees for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

Capital Assets

All capital assets are capitalized at cost and updated for additions and retirements during the year. Depreciation is computed using the straight-line method over the estimated useful life of the capital asset. The School's capital assets consist solely of computers and related equipment which is being depreciated over three years.

Compensated Absences

The criteria for determining vacation, personal and sick leave components are derived from policies and procedures approved by the Board of Trustees. Non-certified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to noncertified employees upon termination of employment. Teachers and administrators who are not on a twelve month contract do not earn vacation time.

Teachers, administrators, and non-certified employees are allowed 15 sick days and 3 personal days per year, any unused sick or personal leave is not accumulated.

Insurance Benefits

The School provides life, medical/surgical and dental benefits to most employees through Humana.

**PACE HIGH SCHOOL
HAMILTON COUNTY**

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Net Position represents the difference between assets and liabilities. Net capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for music and athletic programs and student activities and federal and State grants restricted to expenditures for specified purposes.

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

Operating Revenues and Expenses

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

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 – DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned. The School must maintain deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the School places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the FDIC. The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, Municipal Corporation or other legal constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At June 30, 2014, the School's deposits were \$6,626, and the bank balances \$6,975. At June 30, 2013, the School's deposits were \$12,555, and the bank balances \$4,178. Of the bank balance up to \$250,000 is covered by federal depository insurance and the excess, if any, is insured by collateralized securities held by the pledging institutions' trust department in the School's name.

**PACE HIGH SCHOOL
HAMILTON COUNTY**

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

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014:

Depreciable Assets	7/1/13 Balance	Additions	Deletions	6/30/14 Balance
Computers	112,525	0	0	112,525
Classroom Furniture	<u>5,866</u>	<u>0</u>	<u>0</u>	<u>5,866</u>
Total Depreciable Assets	118,391	0	0	118,391
Less Accumulated Depreciation	<u>(115,904)</u>	<u>(1,173)</u>	<u>0</u>	<u>(117,077)</u>
Capital Assets, Net	2,487	(1,173)	0	1,314

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

Depreciable Assets	7/1/12 Balance	Additions	Deletions	6/30/13 Balance
Computers	112,525	0	0	112,525
Classroom Furniture	<u>5,866</u>	<u>0</u>	<u>0</u>	<u>5,866</u>
Total Depreciable Assets	118,391	0	0	118,391
Less Accumulated Depreciation	<u>(114,731)</u>	<u>(1,173)</u>	<u>0</u>	<u>(115,904)</u>
Capital Assets, Net	3,660	(1,173)	0	2,487

NOTE 5 – RISK MANAGEMENT Property and Liability

The School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2014, the School contracted with Philadelphia Insurance Company for general liability, property, and for educational errors and omissions insurance. The policy's general aggregate personal and advertising injury and each occurrence limit is \$1,000,000 with a \$5,000 deductible. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from last fiscal year.

Workers' Compensation

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

**PACE HIGH SCHOOL
HAMILTON COUNTY**

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS School Employee Retirement System

Plan Description – The School contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and 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 by the SERS' Retirement Board up to the statutory maximum amount 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 and Health Care Fund) of the System. For the fiscal year ending June 30, 2014, the allocation to the pension and death benefits is 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The School's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$12,806, \$17,739, and \$ 26,710 respectively; 100 percent has been for fiscal years 2014, 2013 and 2012.

State Teachers Retirement System

Plan Description – The School participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum with withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

**PACE HIGH SCHOOL
HAMILTON COUNTY**

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

NOTE 6 – DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy – For the fiscal year ended June 30, 2014, plan members were required to contribute 11 percent of their annual covered salaries. The School was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For the 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 the fiscal years ended June 30, 2014, 2013, and 2012 were \$33,671, \$39,887 and \$42,516 respectively; 100 percent has been contributed for fiscal year 2014, 2013 and 2012.

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 was 6.2%.

NOTE 7 – POSTEMPLOYMENT BENEFITS

A. State Teachers Retirement System of Ohio

Plan Description - The School contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org under "Publications" 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 \$2,405, 2,849, and \$3,037 respectively, which equaled the required contributions each year.

**PACE HIGH SCHOOL
HAMILTON COUNTY**

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

NOTE 7 – POSTEMPLOYMENT BENEFITS (Continued)

B. School Employees Retirement System

Plan Description - The School participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, 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 Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Chapter 3309.69 of the Ohio Revised Code. 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 and SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Media/Financial Reports".

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2014, 0.14 percent of covered payroll was allocated to health care. 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. Statute provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the actuarially determined amount was \$20,250. Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for healthcare 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 School's contributions for health care (including surcharge) for the fiscal years ended June 30, 2014, 2013, and 2012 were \$128, \$5,651, and \$8,509 respectively, which equaled the required contributions each year.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The School's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$695, \$963, and \$1,450 respectively, which equaled the required contributions each year.

**PACE HIGH SCHOOL
HAMILTON COUNTY**

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

NOTE 8 - CONTINGENCIES Grants

The School 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's agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the School. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2014.

State Funding

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.

NOTE 9 – OPERATING LEASE

The School leases a building from an unrelated entity. This lease started in July, 2007. The lease is on a month-to-month basis at \$10,000 per month for 2013-2014 as it undergoes renewal.

The school also leases copier equipment from an unrelated entity at \$590.03 per month. The lease started in December 2009, was re-negotiated in November 2011 for \$997.77 per month, and was renegotiated in April 2012 to expire in 2015. Lease expense for the year ended June 2014 was \$3,744.98. All leased equipment was returned after the school was closed at the end of May 2014. Therefore, there are no future lease payments.

NOTE 10 – NOTES PAYABLE – RELATED PARTY

	June 30, <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	June 30, <u>2014</u>
Notes Payable - Related Party	\$585,859	\$6,985	(\$19,153)	\$573,691

The School had four unsecured, interest bearing notes payable to the Director. As of June 30, 2014, there were no set payment terms. Payments are made based on available cash flows of the school. A summary of note activity follows:

Description	7/1/13 Balance	Additions	Deletions	6/30/14 Balance	Interest Rate
Dr. Hawley Line of Credit	\$9,455	\$2,985	\$12,261	\$179	19.24%
Dr. Hawley Refinance #1	257,297	0	2,697	254,600	4%
Dr. Hawley Refinance #2	198,400	0	4,195	194,205	4%
Dr. Hawley 2013 Note	120,707	4,000	0	124,707	4%
Total Loans, Notes, & Line of Credit	\$585,859	\$6,985	\$19,153	\$573,691	

	June 30, <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	June 30, <u>2013</u>
Notes Payable - Related Party	\$461,479	\$128,707	(\$4,327)	\$585,859

**PACE HIGH SCHOOL
HAMILTON COUNTY**

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

NOTE 10 – NOTES PAYABLE – RELATED PARTY (Continued)

The School had four unsecured, interest bearing notes payable to the Director. As of June 30, 2013, there were no set payment terms. Payments are made based on available cash flows of the school. A summary of note activity follows:

Description	7/1/12 Balance	Additions	Deletions	5/1/13 Refinance	6/30/13 Balance	Interest Rate
Dr. Hawley Line of Credit	\$8,194	\$2,500	\$1,239	0	\$9,455	19.24%
Dr. Hawley Chase Loan #1	200,653	0	2,253	(198,400)	0	4.88%
Dr. Hawley Chase Loan #2	224,404	5,499	0	(229,903)	0	8.55%
Dr. Hawley Advantage Loan	28,228	0	835	(27,393)	0	6.95%
Dr. Hawley Refinance #1	0	0	0	257,297	257,297	4%
Dr. Hawley Refinance #2	0	0	0	198,400	198,400	4%
Dr. Hawley 2013 Note	0	120,707	0	0	120,707	4%
Total Loans & Line of Credit	\$461,479	\$128,706	\$4,327	\$0	\$585,859	

NOTE 11 – PURCHASED SERVICES

For the year ended June 30, 2014, purchased service expenses were comprised of the following:

Rent	\$112,362
Administrative Activities	82,423
Communications	49,088
Utilities	37,488
Cafeteria	12,888
Property Services	6,604
Equipment Leasing	9,018
Student Services	<u>11,865</u>
Total Purchased Services	<u>\$321,736</u>

For the year ended June 30, 2013, purchased service expenses were comprised of the following:

Instructional Services	\$48,331
Travel and Auto	527
Professional Development	1,500
Psychological Testing Spec. Ed.	2,500
Printing and Reproduction	9,057
Postage and Delivery	630
Transportation	1,400
Catering	17,862
Accounting, Professional & Other	21,400
Property Services	<u>282,682</u>
Total Purchased Services	<u>\$385,889</u>

**PACE HIGH SCHOOL
HAMILTON COUNTY**

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

NOTE 11 – PURCHASED SERVICES (Continued)

Student Services includes instructional services, EMIS services, and Sponsor fees. Utilities includes both gas & electric and garbage removal services. Administrative Activities includes accounting services, legal services, and office administration costs.

NOTE 12 – CEASED OPERATIONS/SUBSEQUENT EVENTS

For the year ended June 30, 2013, the school had an unrestricted net position deficit of (\$692,102). Most of the net position deficit is due to a liability incurred to repay prior year foundation funds. The School discontinued operations on May 29, 2014 after the last day of School for the 2014 school year and the School is currently in the process of dissolving the remaining assets and liabilities.

The following schedule summarizes the cash receipts and cash disbursements of the School for the liquidation period of July 1, 2014 through April 30, 2015.

Operating Disbursements	
Purchased Services	\$28,001
Other Expenses	<u>256</u>
Total Operating Disbursements	28,257
Non-Operating Receipts & Disbursements	
Federal & State Grants	6,030
Miscellaneous Revenue	23,771
Proceeds from Sale of Assets	1,220
Credit Card Advances	550
Credit Card Payment	<u>(838)</u>
Total Non-Operating Receipts & Disbursements	30,733
Net Increase in Cash	2,476
Beginning Cash July 1, 2014	<u>6,625</u>
Ending Cash April 30, 2015	<u>\$9,101</u>

In addition, the Ohio Department of Education has established procedures to be followed when a community school is closed. The School's management has partially completed these procedures as of the opinion date. All remaining assets at the School were sold in an auction in August 2014 in accordance with State regulations.

**PACE HIGH SCHOOL
HAMILTON COUNTY**

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

NOTE 12 – CEASED OPERATIONS/SUBSEQUENT EVENTS (Continued)

As of the June 30, 2014, the School had the following obligations outstanding:

Accounts Payable Listing 6/30/14	
Church of the Resurrection	\$119,000
Cincinnati Bell Telephone Account #1 686	14,000
State of Ohio Auditor's Office	13,776
Hamilton County ESC	8,172
Teach for America	5,000
US Bank Equipment Office	3,007
Tyco Integrated Security/ADT	1,911
Time Warner Cable	1,624
Barbara DeSalvo	1,000
Staples	856
Rumpke	834
Select Pest Control	<u>135</u>
Total Accounts Payable at 6/30/14	<u>\$169,315</u>

After all outstanding obligations have been paid, all remaining cash will be provided to the Ohio Department of Education.

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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*

PACE High School
Hamilton County
c/o Educational Center of Lake Erie West (the Sponsor)
4955 Seaman Road
Oregon, Ohio 43616

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the business-type activities of PACE High School, Hamilton County, Ohio (the School) as of and for the year ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 2, 2015, wherein we noted the School has ceased operations as of June 30, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the School'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 School's internal control. Accordingly, we have not opined on it.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the School's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the School'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 School's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School'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

September 2, 2015

**PACE HIGH SCHOOL
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2014**

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

FINDING NUMBER 2014-001

Noncompliance/ Material Weakness

Accounting Record Accuracy

Ohio Admin. Code § 117-2-02(A) requires public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements. Furthermore, per the Sponsor Agreement Article IX Finance Section 9.1 Financial Records, the School's financial records shall be maintained in the same manner as are financial records of school districts, pursuant to rules of the Auditor of the State. We noted the following conditions, and make the following recommendations for improvement, related to the financial statements and financial records:

- The School did not classify revenue and expenses by fund in order to identify federal grant activity. When federal grant activity is not accurately tracked either in the accounting system or separately outside of the system, it is difficult to determine whether an entity meets the requirements for single audit. We recommend that the School classify financial transactions by fund. The School corrected the financial statements. We determined the School's federal expenditures totaled \$80,036.
- The School did not accurately enter and update bills received and bills paid in the accounts payable account. The account was overstated by \$90,685 at June 30, 2014. We recommend that the School post all bills and the subsequent payment accurately in the accounts payable account. The School corrected the financial statements and accounting records.
- The School's method of recording debt payments did not include a separate accounting for the principal and interest. We recommend that the School account for the principal and interest components of each loan payment.
- The outstanding School debt as of June 30, 2014, \$573,691, consisted of loans from Dr. Hawley and a line of credit. Dr. Hawley incurred personal debt from financial institutions and loaned the proceeds of those funds to the School. To make payments on the loan from Dr. Hawley, the School made payments of \$19,153 directly to the financial institution to retire Dr. Hawley's personal debt. Also, there was no formal loan agreement between the School and Dr. Hawley. We recommend the School and Dr. Hawley execute a formal loan agreement that includes the interest rate and terms of repayment. The School should pay Dr. Hawley directly in accordance with the loan agreement. Also, an adjustment was made to principal and interest in the amounts of \$6,892 and \$712, respectively, to properly record payment.

Failure to accurately maintain accounting records in the required manner reduces the accountability over School funds, reduces the Board of Directors' ability to monitor financial activity and make informed financial decisions, increases the risk that errors, theft and fraud will occur and not be detected in a timely manner.

Officials' Response

We did not receive a response from officials to the finding reported above.

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PACE HIGH SCHOOL
HAMILTON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2014

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Accounting system record accuracy	No	Not Corrected

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PACE HIGH SCHOOL

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
OCTOBER 1, 2015**