



Dave Yost • Auditor of State



PROVOST ACADEMY OHIO  
FRANKLIN COUNTY

TABLE OF CONTENTS

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

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Provost Academy Ohio  
Franklin County  
1335 Dublin Road, Suite A-050  
Columbus, OH 43215

To the Board of Directors:

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

We have audited the accompanying basic financial statements of the Provost Academy Ohio, Franklin 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 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 Provost Academy Ohio, Franklin County, Ohio, as of June 30, 2014, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 13 to the financial statements, the School has suffered recurring losses from operations and has a net position deficiency. Note 14 describes Management's plans regarding these matters. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. 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*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 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

April 21, 2015

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

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

The discussion and analysis of Provost Academy Ohio 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 notes to the basic financial statements to enhance their understanding of the School's financial performance.

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

**FINANCIAL HIGHLIGHTS**

Key Financial Highlights for the School for the 2013-2014 school year are as follows:

- Total assets were \$381,312.
- Total liabilities were \$959,144.
- Total net position was \$(577,832).
- Total operating and non-operating revenues were \$712,013. Total operating expenses were \$1,289,845.

**USING THIS ANNUAL REPORT**

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

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position reflect how the School did financially during fiscal year 2014. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting includes all of the current year revenues and expenses regardless of when cash is received or paid.

These statements report the School's Net Position and changes in net position. This change in Net Position is important because it tells the reader whether the financial position of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School's student enrollment, per-pupil funding as determined by the State of Ohio, change in technology, required educational programs and other factors.

The School uses enterprise presentation for all of its activities.

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED  
(Continued)**

**Statement of Net Position**

The Statement of Net Position answers the question of how the School did financially during 2014. This statement includes all assets and liabilities, both financial and capital, and short-term and long-term using the accrual basis of accounting and economic resource focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

Table 1 provides a summary of the School's Net Position for fiscal year 2014. This is the School's first year of operation. Therefore, comparative information is not available.

**Table 1  
Statement of Net Position**

	<b>2014</b>
<b>Assets</b>	
Current Assets	\$ 110,275
Capital Assets, Net of Accumulated Depreciation	271,037
Total Assets	381,312
 <b>Liabilities</b>	
Current Liabilities	359,144
Long Term Liabilities	600,000
Total Liabilities	959,144
 <b>Net Position</b>	
Net Investment in Capital Assets	271,037
Unrestricted	(848,869)
Total Net Position	\$ (577,832)

Over time, Net Position can serve as a useful indicator of a government's financial position. At June 30, 2014, the School's net position totaled \$(577,832).

Current assets represent cash and cash equivalents, intergovernmental receivable and accounts receivable. Current liabilities represent deferred revenue and amounts owed to the management company at fiscal year-end. As no prior year information is available, given that this was the initial year of operation for the school, all amounts reflected above changed 100%.



**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED  
(Continued)**

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

Table 2 shows the change in Net Position for fiscal year 2014, as well as a listing of revenues and expenses. This change in Net Position is important because it tells the reader that, for the School as a whole, the financial position of the School has improved or diminished. The cause of this may be the result of many factors, some financial, some not. Non-financial factors include the current laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors. This is the School's first year of operation. Therefore, comparative information is not available.

**Table 2 – Change in Net Position**

	<b>2014</b>
<b>Operating Revenue</b>	
State Aid	\$ 698,420
Other Revenue	13,593
	<b>712,013</b>
<b>Operating Expenses</b>	
Purchased Services: Edison Learning	1,105,835
State Retirement	25,310
Sponsor Fees	20,953
Legal Fees	32,870
Accounting Fees	20,000
Depreciation	78,127
Directors Fees	6,300
Other	450
	<b>1,289,845</b>
 Operating Loss	 (577,832)
 <b>Decrease in Net Position</b>	 <b>\$ (577,832)</b>

As previously noted, no prior year information is available as fiscal year 2014 was the initial year of operations for the School. Therefore, all amounts reflected above changed 100%.

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014  
UNAUDITED  
(Continued)**

**BUDGETING HIGHLIGHTS**

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Rev. Code Chapter 5705 (with the exception section 5705.391 – Five Year Forecasts), unless specifically provided in the community school's contract with its Sponsor.

The contract between the School and its Sponsor does prescribe a budgetary process. The School must prepare and submit a detail budget for every fiscal year to the Board of Directors and its Sponsor. The five-year forecast is also submitted to the Ohio Department of Education, annually.

**CAPITAL ASSETS**

At fiscal year end, the School's net capital asset balance was 271,037. This balance represents current year additions of \$349,164 offset by current year depreciation of \$78,127. For more information on capital assets, see Note 5 of the Basic Financial Statements.

**DEBT**

On June 30, 2014, the School entered into a Promissory Note with Edison Learning, Inc., in which the School promised to pay Edison Learning, Inc. a principal sum of \$600,000.00 with interest on May 31, 2019 for expenses incurred on behalf of the School in fiscal year 2014. This note has an annual interest rate of 10 percent and is repaid on a monthly basis. Monthly payments begin in July, 2015.

**CURRENT FINANCIAL ISSUES**

The School is a community school and is funded through the State of Ohio Foundation Program. The School relies on this, as well as, State and Federal funds as its primary source of revenue. The School continually evaluates the extent of the impact that changes in State funding will have on current year operations.

Overall, the School will continue to provide learning opportunities and apply resources to best meet the needs of students.

**CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the School's finances and to demonstrate accountability for the money it receives. If you have questions about this report or need additional information contact C. David Massa, CPA, of Massa Financial Solutions, LLC, 1335 Dublin Road, Suite 50A Columbus, Ohio 43215-7037 or e-mail at [dave@massasolutionsllc.com](mailto:dave@massasolutionsllc.com).

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

**Statement of Net Position  
At June 30, 2014**

**Assets**

*Current Assets:*

Cash and Cash Equivalents	\$ 8,247
Intergovernmental Receivable	98,123
Accounts Receivable	<u>3,905</u>

Total Current Assets 110,275

*Noncurrent Assets:*

Capital Assets:

Depreciable Capital Assets, net	<u>271,037</u>
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Total Assets \$ 381,312

**Liabilities**

*Current Liabilities:*

Edison Payable	\$ 357,420
Deferred Revenue	<u>1,724</u>

Total Current Liabilities 359,144

*Long Term Liabilities:*

Note Payable 600,000

Total Liabilities \$ 959,144

**Net Position**

Net Investment in Capital Assets	271,037
Unrestricted	<u>(848,869)</u>

Total Net Position \$ (577,832)

See accompanying notes to the basic financial statements

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

**Statement of Revenues,  
Expenses and Change in Net Position  
For the Year Ending June 30, 2014**

**Operating Revenues**

State Aid	\$ 698,420
Other Revenue	13,593
Total Operating Revenues	<u>712,013</u>

**Operating Expenses**

Purchased Services: Edison Learning	1,105,835
State Retirement	25,310
Sponsor Fees	20,953
Legal Fees	32,870
Accounting Fees	20,000
Depreciation	78,127
Directors Fees	6,300
Other	450
Total Operating Expenses	<u>1,289,845</u>

**Operating Loss** (577,832)

**Change in Net Position** (577,832)

**Net Position, Beginning of Year** -

**Net Position, End of Year** \$ (577,832)

See accompanying notes to the basic financial statements

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

**Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2014**

<b><u>Cash Flows from Operating Activities</u></b>	
Cash Received from State of Ohio	\$ 698,420
Cash Received from Other Sources	9,688
Cash payments for Retirement	(25,310)
Cash Payments to Suppliers for Goods and Services	<u>(925,387)</u>
Net Cash Used for Operating Activities	(242,589)
<b><u>Cash Flows from Noncapital and Financing Activities</u></b>	
Cash Received from Note	600,000
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Cash Payments for Capital Acquisitions	<u>(349,164)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>8,247</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b><u>-</u></b>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 8,247</u></b>

**(Continued)**

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

**Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2014  
(Continued)**

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

<b>Operating Loss</b>	\$ (577,832)
Depreciation	78,127
Changes in Assets and Liabilities:	
(Increase) Intergovernmental Receivable	(98,123)
(Increase) Receivable	(3,905)
Increase Deferred Revenue	1,724
Increase Edison Payable	<u>357,420</u>
Net Cash Used for Operating Activities	<u>\$ (242,589)</u>

See accompanying notes to the basic financial statements

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

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

**1. DESCRIPTION OF THE ENTITY**

Provost Academy Ohio, (the School) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The School's mission is to provide an orderly and supportive environment whereby students experience preparations for college, career and life. The School operates on a foundation, which fosters character building for all students, parents and staff members. 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 acquire facilities as needed and contract for any services necessary for the operation of the School.

The School was approved for operation under a contract with Ohio Council of Community Schools, ("OCCS") (the Sponsor) for a five year period commencing on July 1, 2013. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School operates under the direction of a Board of Directors (the Board). The Board is responsible for carrying out the provisions of the contract which include, but are not limited to, state mandated provisions regarding student populations, curriculum, academic goals, performance standards, admissions standards, and qualifications of teachers. The Board controls the School's instructional and administrative staff.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic 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 more significant of the School's accounting policies are described below.

**A. Basis of Presentation**

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

The Government Accounting Standards Board requires the presentation of all financial activity to be reported within one enterprise fund for year-ending reporting purposes. Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprise where the intent is that the cost (expense) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

**NOTES TO THE BASIC 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 is determined by measurement focus. Under this measurement focus, all assets and all liabilities are included on the balance sheet. The operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in net position.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting is used for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

**C. Budgetary Process**

Unlike other public schools located in the state of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705 (with the exception section 5705.391 – Five Year Forecasts), unless specifically provided for in the School’s sponsorship agreement. The contract between the School and its Sponsor requires a detailed budget for each year of the contract.

**D. Cash and Cash Equivalents**

Cash received by the School is reflected as “Cash and Cash Equivalents” on the Statement of Net Position. The School did not have any investments during the period ended June 30, 2014.

**E. Estimates**

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

**F. Capital Assets and Depreciation**

Capital assets are capitalized at cost. The costs of additions are capitalized and expenditures for repairs and maintenance are expensed when incurred. When property is sold or retired, the related costs and accumulated depreciation are removed from the financial records and any gain or loss is included in additions to or deductions from net assets. Depreciation of capital assets is calculated utilizing the straight-line method over the estimated useful lives of the asset which are as follows:

<u>Asset Class</u>	<u>Useful Life</u>
Computers and Software	3 years
Furniture, Fixtures, & Equipment	5 years
Leasehold Improvements	3 years

The School's policy for asset capitalization threshold is \$5,000. Assets or certain asset groups not meeting the capitalization threshold are not capitalized and are not included in the assets represented in the accompany statement of net position.



**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

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

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

**G. Intergovernmental Revenues**

The School currently participates in the State Foundation Program. Revenues received from this program are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

Grants and entitlements are recognized as non-operating revenues in the accounting period in which eligibility requirements have been met.

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.

Under the above programs the School recorded \$698,420 this fiscal year from the State Foundation Program and \$0 from Federal grants.

**H. Compensated Absences**

Vacation is taken in a manner which corresponds with the school calendar; therefore the School does not accrue vacation time as a liability.

Sick/personal leave benefits are earned by full-time employees at the rate of eight days per year and cannot be carried into the subsequent years. No accrual for sick time is made since unused time is not paid to employees upon employment termination.

**I. Accrued Liabilities**

Obligations incurred but unpaid at June 30 are reported as accrued liabilities in the accompanying financial statements. These liabilities consisted of deferred revenue of \$1,724, note payable of \$600,000 and Edison payable of \$357,420 at June 30, 2014.

**J. Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided to the School on a reimbursement basis.

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

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

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

**K. Net Position**

Net Position represents the difference between assets and liabilities. Net Position is reported as restricted when there are limitations imposed on their use through external restriction imposed by creditors, grantors, or laws and regulations of other governments. The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Net Position invested in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

**L. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activities of the School. For the School, these revenues are primarily the State Foundation program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the School. All revenues and expenses not meeting this definition are reported as non-operating. There were no non-operating expenses reported at June 30, 2014.

**3. CASH AND CASH EQUIVALENTS**

The following information classifies deposits by category of risk as defined in GASB Statement No.3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements," as amended by GASB Statement No.40, "Deposit, and Investment Risk Disclosures".

The School maintains its cash balances at one financial institution, Chase Bank, located in Ohio. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, per qualifying account. At June 30, 2014, the book amount of the School's deposits was \$8,247 and the bank balance was \$9,910.

The School had no deposit policy for custodial risk beyond the requirement of state statute. Ohio law requires that deposits either be insured or be protected by eligible securities pledged to and deposited either with the School or a qualified trustee by the financial institution as security for repayment or by a collateral pool of eligible securities deposited with a qualified trustee to secure repayment of all public monies deposited in the financial institution whose market value shall be at least 105% of deposits being secured. At June 30, 2014, none of the bank balance was exposed to custodial credit risk.

**4. RECEIVABLES**

**A. Accounts Receivable**

The School has accounts receivables totaling \$3,905 at June 30, 2014. These receivables represented monies earned, but not received as of June 30, 2014.

**B. Intergovernmental Receivable**

The School has intergovernmental receivables totaling \$98,123 at June 30, 2014. These receivables represented monies due to the School from government sources, but not received as of June 30, 2014.

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

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

**5. CAPITAL ASSETS**

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

	<u>Balance</u> <u>06/30/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/14</u>
<b>Capital Assets:</b>				
Computers and Software	\$ -	\$ 330,650	\$ -	\$ 330,650
Furniture, Fixtures, & Equipment	-	18,514	-	18,514
<b>Total Capital Assets</b>	-	349,164	-	349,164
<b>Less Accumulated Depreciation:</b>				
Computers and Software	-	(75,350)	-	(75,350)
Furniture, Fixtures, & Equipment	-	(2,777)	-	(2,777)
<b>Total Accumulated Depreciation</b>	-	(78,127)	-	(78,127)
<b>Capital Assets, Net</b>	<u>\$ -</u>	<u>\$ 271,037</u>	<u>\$ -</u>	<u>\$ 271,037</u>

**6. NOTE PAYABLE**

On June 30, 2014, the School signed a five year promissory note with Edison Learning, Inc. for the sum of \$600,000.00 payable monthly at ten percent interest for expense incurred by Edison Learning, Inc. on behalf of the School during fiscal year 2014. Repayment of the Note interest begins in July, 2015. Principal amount is due on May 31, 2019.

<b>Promissory Note</b>	<b>Balance</b>			<b>Balance</b>
<u>Amount</u>	<u>July 1, 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2014</u>
\$600,000	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ 600,000</u>

**7. RISK MANAGEMENT**

**Property & Liability**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year ending June 30, 2014, the School contracted with Willis of New York, Inc. for nonprofits and maintained general liability insurance with a \$1,250,000 single occurrence limit and \$20,000,000 annual aggregate and a combined policy aggregate coverage for various liability coverage in the amount of \$25,000,000.

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

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

**8. DEFINED BENEFIT PENSIONS PLANS**

**A. School Employees Retirement System (SERS Ohio)**

**Plan Description** – Edison Learning on behalf of the School contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer 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 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 contacting School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, or by calling toll free 1-800-878-5853. It is also posted at the SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employer/ Audit Resources.

**Funding Policy** - Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute at an actuarially determined rate. The current School rate is 14 percent of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2014, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2014 was \$23,048, which equaled the required contribution of the year or 100%.

**B. State Teachers Retirement System (STRS Ohio)**

**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](http://www.strsoh.org).

**Plan Options** - 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 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.

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

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

**8. DEFINED BENEFIT PENSIONS PLANS (Continued)**

**B. State Teachers Retirement System (STRS Ohio) (Continued)**

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 member's account balance.

**Funding Policy** - For fiscal year 2014, plan members were required to contribute 11 percent of their annual covered salaries. The Schools was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. 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 was \$2,348, which is equal to 100 percent that has been contributed for fiscal year 2014. There were no contributions to the DC and Combined Plans for fiscal year 2014.

**9. POST EMPLOYMENT BENEFITS**

**A. School Employees Retirement System (SERS Ohio)**

**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](http://www.ohsers.org), under Employers/Audit Resources.

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

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

**9. POST EMPLOYMENT BENEFITS (Continued)**

**A. School Employees Retirement System (SERS Ohio) (Continued)**

**Funding Policy** - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2014, 0.55 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 provides that no employer shall pay a health care surcharge greater than 2.0 percent of the 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 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 School's contribution for health care (including surcharge) for the fiscal year ended June 30, 2014, was \$506; 100 percent has been contributed for each fiscal 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 contribution for Medicare Part B for the fiscal year ended June 30, 2014 was \$1,337, 100 percent has been contributed for each fiscal year.

**B. State Teachers Retirement System (STRS 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](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 contribution for health care for the fiscal year ended June 30, 2014, was \$181; 100 percent has been contributed for each fiscal year.

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

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

**10. CONTINGENCIES**

**A. Litigation**

There are currently no matters in litigation with the School as defendant.

**B. Full-Time Equivalency**

The Ohio Department of Education (ODE) conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the School. These reviews are conducted to ensure the School is reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The Ohio Department of Education (ODE) has identified several community schools and/or STEM schools that made critical data errors between the June payment and the Final #1 payment. As a result, ODE will be running a Final #2 foundation report for community schools and STEM schools for fiscal year 2014. As of the date of this report, a final list of schools impacted and amounts are not yet available, but ODE believes this will result in receivables to the schools affected.

**11. SPONSOR CONTRACT**

The School contracted with Ohio Council of Community Schools (OCCS) as its sponsor and oversight services as required by law. Sponsorship fees are calculated as a three percent of state funds received by the School from the State of Ohio. For the fiscal year ended June 30, 2014, the total sponsorship fees paid totaled \$20,953.

**12. AGREEMENT WITH EDISON LEARNING, INC./ PURCHASED SERVICES EXPENSE**

On May 15, 2013, the School contracted with Edison Learning, Inc. to provide educational programs that offer educational excellence and educational innovation based on Edison Learning, Inc.'s unique school design, comprehensive educational programs, and management principles. The contract may be renewed for an additional five-year term. Under the contract, Edison Learning, Inc. is responsible and accountable to the School's Board of Directors for the administration, operation, and performance of the School in accordance with the School's contract with OCCS to operate the School. Significant provisions of the contract are as follows:

**A. Financial Provisions**

**1. Management Consulting and Operation Fee**

In consideration for the variety of Professional and Administrative Management Services provided by Edison Learning, the School shall pay to Edison Learning a management fee of \$250,000 per academic year of the Charter School.

**2. The School's Financial Responsibility**

The School is responsible for initial startup costs and rent. The School is also responsible to pay for legal fees, accounting, sponsor fees and other expenses directly related to activities of the Board.

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

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

**12. AGREEMENT WITH EDISON LEARNING, INC./ PURCHASED SERVICES EXPENSE (Continued)**

**A. Financial Provisions (Continued)**

**3. Edison Financial Responsibilities**

Edison Learning, Inc. is responsible for costs associated with operating the School. Such costs shall include, but shall not be limited to, salaries and benefits, including payroll taxes; pension and retirement; the purchase of curriculum materials, textbooks, computers and other equipment, software, and supplies; insurance premiums, utilities, janitorial services, and financial management services related to the operation of the School and repairs and maintenance of the School's facilities, except for capital repair. Edison Learning, Inc. shall equip the School's facilities with desks and other furniture and furnishings and these items are considered property of Edison Learning, Inc. Edison Learning, Inc. must secure and maintain commercial general liability coverage for bodily injury and property damage; educator liability coverage; automobile liability insurance, for, personal injury and property damage; property insurance for facilities; and workers' compensation insurance for employees.

**4. Budget**

Edison Learning, Inc. shall provide the School with an annual budget, in reasonable detail, by April 15 of each fiscal year for the following fiscal year.

**B. Educational Services**

Edison Learning, Inc. provides electronic educational services to 9-12 students, in addition to executing the financial responsibilities noted above.

**C. Personnel**

All personnel working at the School are employees of the School.

**D. Agreement Termination**

**1. Termination by the School**

The School may terminate the contract in the event Edison Learning, Inc. materially breaches the contract and Edison Learning, Inc. fails to remedy such breach within 90 days of its receipt of written notice of such breach from the School.

**2. Termination by Edison Learning, Inc.**

Edison Learning, Inc. may terminate the contract in the event the School materially breaches the contract and the School fails to remedy such breach within 90 days of its receipt of written notice of such breach from Edison Learning, Inc.



**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

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

**12. AGREEMENT WITH EDISON LEARNING, INC./ PURCHASED SERVICES EXPENSE (Continued)**

**E. Edison Learning, Inc. - Purchased Services**

For the fiscal year ended June 30, 2014, Edison Learning, Inc. incurred the following expenses on behalf of the School:

**Direct Site Expenses:**

Salaries and Wages and Benefits	\$ 256,725
Professional and Technical Services	374,234
Property Services	104,549
Curriculum and materials	314,345
Other Direct Costs	<u>55,982</u>
Total Expenses	<u>\$ 1,105,835</u>

**13. FISCAL DISTRESS**

Several factors have caused the School to experience fiscal distress. The School's cash balance at June 30, 2014 was \$8,247. Additionally, the School has significant liabilities at June 30, 2014 which has resulted in a deficit net position of (\$577,832). Overcoming this deficit may be difficult without significant increases in student enrollments and related revenues in order to pay off outstanding liabilities and cover ongoing operating costs.

**14. MANAGEMENT PLAN**

The amount owed to Edison Learning, Inc. at June 30, 2014 is for unpaid operating expenses and outstanding advances for the start-up of the School. Edison Learning, Inc. remains committed to the success of the School both academically and financially. During the current year, stronger efforts in student recruitment and the use of Federal funds are improving the financial performance of the School.

**15. BUILDING LEASE**

The school entered into a lease assignment with LM Phase 1 Limited Partnership (Landlord) and East Columbus Drop Back In (Assignor) on July 1, 2013. The lease assignment was for the 2014 fiscal year with base rent monthly payments of \$6,679.

**16. SUBSEQUENT EVENTS**

On March 27, 2015, the Sponsor placed the School on probationary status due to the School failing to adequately provide required services to Students with Disabilities (SWD), noncompliance with required staff student ratios, failure to implement a procedure to properly identify SWD, and failure to meet statutory guidelines pertaining to proper documentation and timelines. The School has completed and submitted a Corrective Action Plan ("CAP").

On July 22, 2014, the School entered into a building lease agreement for 1335 Dublin Road, Suite A-050 Columbus, OH 43215 with Riversedge Corporate Center, LLC. The lease is for 37 months commencing on August 1, 2014 and expiring August 31, 2017 with total base rental and operating expenses of \$93,676.01.

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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

Provost Academy Ohio  
Franklin County  
1335 Dublin Road, Suite A-050  
Columbus, OH 43215

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 Provost Academy Ohio, Franklin 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 April 21, 2015, wherein we noted the School has suffered recurring losses from operations and has a net position deficiency.

### ***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 Entity'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 an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying schedule or findings as item 2014-001.

***School's Response to Findings***

The School's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the School's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the 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

April 21, 2015

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2014**

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

**FINDING NUMBER 2014-001**

**Material Noncompliance / Material Weakness  
Student Attendance Records**

**Ohio Rev. Code § 3314.08 and Ohio Admin. Code § 3301-29-01** require the governing authority of each community school to annually report the number of students enrolled in the community school. Community schools are funded on a per-pupil foundation allocation. The School is responsible for entering and maintaining student enrollment information in the Ohio Department of Education's (ODE) School Options Enrollment System (SOES) database, which is the reporting mechanism that drives student funding for community schools. Therefore, it is vital that community schools have policies and procedures in place which assist management in the ongoing tracking and reporting of student enrollment, as it directly affects the amount of State Foundation allocated to the School.

A critical component of accurate tracking and reporting is the continual process of documenting enrollment indicators, such as student application/enrollment, ongoing attendance, and withdrawal. Under the current funding model there are instances where the School and another school may report the same student as attending both schools; in those instances the SOES flags the student and there is an established protocol whereby the two schools reconcile by exchanging student documentation to determine where the student is actually attending.

To document enrollment for purposes of reporting each student in SOES, the School obtains documentation from the students' prior schools, and maintains application/enrollment forms and withdrawal forms in a separate file for each student. Erroneously

We examined a sample of five student files and noted one student's enrollment date on SOES did not match the Academy's database. The Academy erroneously received funding for this student since there was no proof of learning engagement. Additionally, three students' FTE's received per the SOES Student File exceeded total attendance from the Academy's database. On June 26, 2014, ODE performed an attendance review and noted issues with the Academy's attendance policy, as well as, errors in SOES. The errors noted in ODE's review were corrected in the SOES system at the time of the review.

Deficiencies such as those above could affect the School's reported enrollment in the SOES. For example, the School's failure to properly document withdrawn students has a direct effect on the amount of State Foundation allocated to the School, as in those instances the School could be receiving funding for students who have already withdrawn.

The School should establish internal controls which facilitate periodic review and approval of student files. One possibility would have been a checklist which could be incorporated into each student file that could the School identify missing documentation or other deficiencies which could affect SOES reporting and State Foundation revenue.

**PROVOST ACADEMY OHIO  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2014  
(Continued)**

<p><b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b></p>
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**FINDING NUMBER 2014-001 (Continued)**

**Material Noncompliance / Material Weakness  
Student Attendance Records (continued)**

***Officials' Response***

The School established internal controls which facilitate periodic review and approval of student files. A checklist has been incorporated into each student file that identifies missing documentation or other deficiencies which could affect SOES reporting and State Foundation revenue.



# Dave Yost • Auditor of State

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

Provost Academy Ohio  
Franklin County  
1335 Dublin Road, Suite A-050  
Columbus, OH 43215

To the Board of Directors:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

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

1. We noted the Board adopted an anti-harassment policy on April 12, 2013. This policy includes all matters required by Ohio Rev. Code 3313.666.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and School's sponsor, and is not intended to be and should not be used by anyone other than these specified parties.

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

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

April 21, 2015

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# Dave Yost • Auditor of State

**PROVOST ACADEMY**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 18, 2015**