



Dave Yost • Auditor of State



ZENITH ACADEMY  
FRANKLIN COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Zenith Academy  
Franklin County  
4606 Heaton Road  
Columbus, Ohio 43229

To the Board of Directors:

We have audited the accompanying basic financial statements of Zenith Academy, Franklin County, Ohio (the Academy), as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Zenith Academy, Franklin County, Ohio, as of June 30, 2011, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2012, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the Academy's financial statements taken as a whole. The federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The federal awards receipts and expenditures schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State

February 28, 2012

**ZENITH ACADEMY  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

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The discussion and analysis of Zenith Academy's (the Academy) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Academy's financial performance.

**Financial Highlights**

Key highlights for 2011 are as follows:

Net assets decreased \$402,907 or 35%.

Total assets decreased \$268,008 or 23%, due primarily to a \$236,852 decrease in cash as a result of lowered funding in state and federal grants.

Total liabilities increased \$134,899 or 428% percent due to an increase in accrued wages of \$128,711.

The Academy had operating revenues of \$2,017,155 operating expenses of \$3,645,491 and non-operating revenues, consisting of federal and state grants, of \$1,225,429.

**Using this Annual Financial Report**

This annual report consist a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Academy's financial position. The Statement of Net Assets and Statement of Revenues, Expenses, and Change in Net Assets provide information about the activities of the Academy, including all short-term and long-term financial resources and obligations.

**Statement of Net Assets, Statement of Revenues, Expenses, and Change in Net Assets and the Statement of Cash Flows**

These documents look at all financial transactions and ask the question, "How did we do financially?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Change in Net Assets answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Academy's net assets and change in those assets. This change in net assets is important because it tells the reader that, for the Academy as a whole, the financial position of the Academy has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on Pages 7 and 8 of this report.

The Statement of Cash Flows provides information about how the Academy finances and meets the cash flow needs of its operations. The Statement of Cash Flows can be found on Page 9 of this report.

The Academy reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity; therefore, the entity-wide and the fund presentations information is the same.

**ZENITH ACADEMY  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

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Table 1 below provides a summary of the Academy's net assets for 2011 compared to 2010:

**Table 1  
Net Assets**

	<u>2011</u>	<u>2010</u>
<b>Assets:</b>		
Current and Other Assets	\$129,067	\$351,906
Capital Assets, Net of Depreciation	<u>784,436</u>	<u>829,605</u>
Total Assets	<u>\$913,503</u>	<u>\$1,181,511</u>
<b>Liabilities:</b>		
Current Liabilities	<u>\$166,370</u>	<u>\$31,471</u>
Total Liabilities	<u>\$166,370</u>	<u>\$31,471</u>
<b>Net Assets:</b>		
Invested in Capital Assets	\$784,436	\$829,605
Unrestricted	<u>(37,303)</u>	<u>320,435</u>
Total Net Assets	<u>\$747,133</u>	<u>\$1,150,040</u>

As previously mentioned, total assets decreased \$268,008 or 23%, due to a decrease in cash as a result of a decrease in state foundation funds and federal grants.

Total liabilities increased \$134,899 or 428% due to an increase in accrued wages liability.

Cash and capital assets represented 92% of total assets. Capital assets are used to provide services to students and are not available for future spending.



**ZENITH ACADEMY  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)**

Table 2 below shows the changes in net assets for fiscal years 2011 and 2010:

**Table 2  
Change in Net Assets**

	<b>2011</b>	<b>2010</b>
Operating Revenues:		
Foundation	\$2,014,736	\$2,435,269
Miscellaneous	2,419	6,987
Total Operating Revenues	2,017,155	2,442,256
Operating Expenses:		
Salaries	1,798,202	1,563,590
Fringe Benefits	460,950	336,525
Purchased Services	1,125,088	1,415,211
Materials and Supplies	124,535	127,147
Depreciation	66,573	66,064
Other	70,143	99,223
Total Operating Expenses	3,645,491	3,607,760
Operating (Loss)	(1,628,336)	(1,165,504)
Non-Operating Revenues:		
Grants	1,225,429	1,294,661
Total Non-Operating Revenues	1,225,429	1,294,661
Change in Net Assets	(402,907)	129,157
Net Assets at Beginning of Year	1,150,040	1,020,883
Net Assets at End of Year	\$747,133	\$1,150,040

Fiscal year 2011 was the Academy's sixth full year in operation. This led to the increase in expenditures for employee salaries, benefits, and purchased services.

Operating foundation revenues and non-operating federal and state grants represent over 99% of the total revenues of the Academy.

Employee salaries and benefits, and purchased service expenditures represent 93% of the total expenses.

**Budgeting**

The Academy is not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705.

ZENITH ACADEMY  
FRANKLIN COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(UNAUDITED)

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**Capital Asset Administration**

Capital Assets

At the end of fiscal year 2011, the Academy had \$784,436 invested in leasehold improvements, furniture and equipment, and vehicles. Table 3 shows fiscal year 2011 balances compared to 2010:

**Table 3**  
**Capital Assets (Net of Depreciation)**

	<u>2011</u>	<u>2010</u>
Leasehold Improvements	\$730,386	\$758,011
Furniture and Equipment	43,824	55,007
Vehicles	<u>10,226</u>	<u>16,587</u>
Totals	<u>\$784,436</u>	<u>\$829,605</u>

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

**Contacting the Academy's Financial Management**

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Ashfaq Tashfeen, Executive Director, Zenith Academy, 4606 Heaton Road, Columbus, Ohio, 43229, by calling (614) 888-9997 or e-mail [aatashfeen@yahoo.com](mailto:aatashfeen@yahoo.com).

ZENITH ACADEMY  
FRANKLIN COUNTY

STATEMENT OF NET ASSETS  
JUNE 30, 2011

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**Assets**

*Current Assets:*

Cash	\$	57,143
Intergovernmental Receivable		<u>71,924</u>

*Total Current Assets* 129,067

*Noncurrent Assets:*

Capital Assets, Net of Accumulated Depreciation		<u>784,436</u>
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*Total Noncurrent Assets* 784,436

Total Assets \$ 913,503

**Liabilities**

*Current Liabilities:*

Accrued Wages and Benefits	\$	140,826
Intergovernmental Payable		<u>25,544</u>

Total Liabilities \$ 166,370

**Net Assets**

Invested in Capital Assets	\$	784,436
Unrestricted		<u>(37,303)</u>

Total Net Assets \$ 747,133

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

**ZENITH ACADEMY  
FRANKLIN COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>Operating Revenues:</b>	
Foundation	\$ 2,014,736
Miscellaneous	2,419
	<hr/>
Total Operating Revenues	2,017,155
	<hr/>
<b>Operating Expenses:</b>	
Salaries	1,798,202
Fringe Benefits	460,950
Purchased Services	1,125,088
Materials and Supplies	124,535
Depreciation	66,573
Other	70,143
	<hr/>
Total Operating Expenses	3,645,491
	<hr/>
Operating Loss	(1,628,336)
	<hr/>
<b>Non-Operating Revenues:</b>	
Grants	1,225,429
	<hr/>
Total Non-Operating Revenues	1,225,429
	<hr/>
Change in Net Assets	(402,907)
	<hr/>
Net Assets Beginning of Year	1,150,040
	<hr/>
Net Assets End of Year	\$ 747,133
	<hr/> <hr/>

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

**ZENITH ACADEMY  
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>Cash Flows from Operating Activities:</b>	
Cash Received from Foundation	\$ 2,013,979
Other Cash Receipts	2,419
Cash Payments to Employees for Services	(1,669,491)
Cash Payments for Employee Benefits	(454,762)
Cash Payments for Goods and Services	(1,249,623)
Other Cash Payments	<u>(70,143)</u>
Net Cash Used in Operating Activities	<u>(1,427,621)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Operating Grants Received	<u>1,212,172</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,212,172</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Acquisition of Capital Assets	<u>(21,403)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(21,403)</u>
Net Decrease in Cash	(236,852)
Cash Beginning of Year	<u>293,995</u>
Cash End of Year	<u><u>\$ 57,143</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>	
Operating Loss	\$ (1,628,336)
<b>Adjustments:</b>	
Depreciation	66,573
<b>Increase in Assets:</b>	
Intergovernmental Receivable	(757)
<b>Increase (Decrease) in Liabilities:</b>	
Accrued Wages and Benefits	128,711
Intergovernmental Payable	<u>6,188</u>
Total Adjustments	<u>200,715</u>
Net Cash Used in Operating Activities	<u><u>\$ (1,427,621)</u></u>

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

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**ZENITH ACADEMY  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**NOTE 1 - DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY**

Zenith Academy (the Academy) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Academy is an approved tax-exempt organization under Section 501(C)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy's tax-exempt status. The mission of the Academy is to provide an educational environment wherein students at the Academy will build a foundation of knowledge, will master core skills, and will develop a life-long love of learning that will empower them to fulfill their roles as citizens. The Academy will accomplish this mission by focusing on knowledge, civic values, and service. The Academy is part of the State's education program, is nonsectarian in its programs, admission policies, employment practices, and all other operations.

The Academy began operations on April 1, 2006 and entered into a 5 year contract with The Educational Resource Consultants of Ohio (the Sponsor). The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration.

The Academy operates under the direction of a five-member Board of Directors. The Board is responsible for carrying out the provisions of the sponsor contract, which include, but are not limited to, state mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Academy have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Academy also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The Academy has elected not to apply FASB statements issued after November 30, 1989. Following are the more significant of the Academy's accounting policies.

**A. Basis of Presentation**

The Academy's basic financial statements consist of a Statement of Net Assets; a Statement of Revenues, Expenses, and Change in Net Assets; and a Statement of Cash Flows.

The Academy uses a single enterprise presentation for its financial records. Enterprise reporting focuses on the determination of operating income, change in net assets, financial position, and cash flows.

**B. Measurement Focus**

The enterprise accounted for using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of the Academy are included on the Statement of Net Assets. The Statement of Revenues, Expenses, and Change in Net Assets presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets. The Statement of Cash Flows reflects how the Academy finances meet its cash flow needs.

**ZENITH ACADEMY  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting**

Basis of accounting determines when transactions are recognized in the financial records and reported on the financial statements. The Academy's financial statements are prepared using the accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Revenue resulting from non-exchange transactions, in which the Academy receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the period when the resources are required to be used or the period when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis. Expenses are recognized at the time they are incurred.

**D. Budgetary Process**

Unlike other public schools located in the State of Ohio, the Academy is not required to follow the budgetary provisions set forth in the Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the Academy and its sponsor. The contract between the Academy and its Sponsor prescribes an annual budget requirement in addition to preparing a five-year forecast, which is updated on an annual basis.

**E. Cash**

Cash received by the Academy is reflected as "Cash" on the Statement of Net Assets. The Academy did not have any investments as of June 30, 2011.

**F. Capital Assets and Depreciation**

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Academy maintains a capitalization threshold of \$1,000 dollars. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. The Academy does not capitalize interest.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Leasehold Improvements	27 Years
Furniture and Equipment	5 Years
Vehicles	3-5 Years

**G. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in 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 Academy or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.



**ZENITH ACADEMY  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Net Assets (Continued)**

The Academy applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The Academy did not have any restricted net assets at June 30, 2011.

**H. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the Academy. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Academy. All revenues and expenses not meeting this definition are reported as non-operating.

**I. 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 those estimates.

**NOTE 3 - DEPOSITS**

Custodial credit risk for deposits is the risk that, in the event of bank failure, the Academy's deposits may not be returned. The Academy does not have a deposit policy for custodial credit risk. At June 30, 2011, the bank balance of the Academy's deposits was \$99,846. The bank balance was covered by federal depository insurance. There are no significant statutory restrictions regarding the deposit of funds by the Academy.

**NOTE 4 - RECEIVABLES**

At June 30, 2011, receivables consisted of intergovernmental receivables of \$71,924 from the Ohio Department of Education for grants and entitlements.

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<b>Capital Assets:</b>				
Leasehold Improvements	\$855,650	\$4,208	\$0	\$859,858
Furniture and Equipment	131,893	17,195	0	149,088
Vehicles	38,801	0	0	38,801
Total Capital Assets	<u>1,026,344</u>	<u>21,403</u>	<u>0</u>	<u>1,047,747</u>
<b>Less Depreciation:</b>				
Leasehold Improvements	(97,639)	(31,834)	0	(129,473)
Furniture and Equipment	(76,885)	(28,378)	0	(105,263)
Vehicles	(22,214)	(6,361)	0	(28,575)
Total Depreciation	<u>(196,738)</u>	<u>(66,573)</u>	<u>0</u>	<u>(263,311)</u>
Capital Assets, Net of Depreciation	<u>\$829,606</u>	<u>(\$45,169)</u>	<u>\$0</u>	<u>\$784,437</u>

**ZENITH ACADEMY  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

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**NOTE 6 - RISK MANAGEMENT**

**A. Property and Liability Insurance**

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2011, the Academy contracted with Erie Insurance Company and Ohio Casualty Insurance Company for property and general liability insurance, respectively, with a \$1,000,000 single occurrence limit, \$2,000,000 annual aggregate, and \$1,000 deductible.

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

**B. Workers' Compensation**

The Academy 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 determined by the State. The Academy owed \$3,499 for this premium on January through June 2011 wages. This liability is reflected in the Statement of Net Assets at June 30, 2011.

**NOTE 7 - EMPLOYEE BENEFITS**

The Academy provides health, drug, and dental insurance for all eligible employees through United Healthcare. The Academy pays 75% of the monthly premium and employees pay the remaining 25%. The Academy does not provide life insurance and accidental death and dismemberment insurance to employees.

**NOTE 8 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

Plan Description - The Academy contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple employer defined benefit 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 Academy is required to contribute at an actuarially determined rate. The current rate for the Academy is 14 percent of annual covered payroll. A portion of the Academy's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2011, 9.16 percent of annual covered salary was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to 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 Academy's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009, were \$80,451, \$90,659, and \$92,125, respectively; 100 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

**ZENITH ACADEMY  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

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**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. State Teachers Retirement System**

Plan Description - The Academy participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. 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 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio web-site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member'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 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 dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salaries. The Academy was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2010, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers.

The Academy's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009, were \$139,640, \$127,957, and \$137,599, respectively; 96.7 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. No contributions to the DC or Combined Plans for fiscal year 2011 were made by the Academy or by plan members. \$4,640 represents the unpaid contribution for fiscal year 2011.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2011, all members of the Board of Directors have elected Social Security. Board members contributed 6.2 percent of their wages, and the Academy also contributed an amount equal to 6.2 percent.

**ZENITH ACADEMY  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

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**NOTE 10 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description - The Academy participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System 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, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established 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 Street, Suite 100, Columbus, Ohio 43215-3746.

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 401h. For 2011, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility, and retirement status.

The Academy's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009, were \$23,905, \$3,263, and \$45,223, respectively; 100 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2010, this actuarially required allocation was 0.75 percent of covered payroll. The Academy's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009, were \$4,310, \$5,391, and \$7,876, respectively; 100 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

**B. State Teachers Retirement System**

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

**ZENITH ACADEMY  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

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**NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)**

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

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 postemployment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Academy's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009, were \$9,974, \$9,672, and \$10,755, respectively; 100 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. There was no unpaid contribution for fiscal year 2011.

**NOTE 11 - BUILDING LEASE**

The Academy leases its facilities from W Ltd. under four separate five year lease agreements entered into on September 1, 2005; September 1, 2007; and September 1, 2009. The total amount paid during fiscal year 2011 was \$410,409.

The following minimum lease payments will be made for fiscal year ending:

Fiscal Year Ending June 30:	
2012	269,735
2013	78,055
2014	40,682
2015	6,824
Total Minimum Lease Payments	<u>\$395,296</u>

**NOTE 12 - TAX EXEMPT STATUS**

The Academy is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Academy was approved on July, 28, 2006 for tax exempt status under 501(C) (3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy's nonprofit status.

**NOTE 13 - PURCHASED SERVICES**

For the period of July 1, 2010 through June 30, 2011 purchased service expenses were as follows:

Professional and Technical Services	\$254,332
Pupil Transportation	95,374
Rent and Property Services	580,840
Legal, Accounting, Professional	31,355
Catering	163,187
Total	<u>\$1,125,088</u>

**ZENITH ACADEMY  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

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**NOTE 14 - SPONSOR CONTRACT**

The Academy entered into a five-year contract commencing on April 6, 2006 and continuing through June 30, 2011 with The Educational Resource Consultants of Ohio (the Sponsor) for its establishment. Under the contract, the following terms were agreed upon:

- The Academy shall operate in substantial compliance with its “Educational Program”, which contains the Academy’s mission, educational philosophy, the ages and grades of students, the characteristics of the students the Academy is expected to attract, the Academy calendar, the academic goals and the method of measurement that will be used to determine progress toward those goals, graduation requirements, and the focus of the curriculum.
- The Academy shall operate in substantial compliance with a “Financial Plan”, which establishes an estimated school budget for each year and a total estimated per pupil expenditure amount for each such year.
- The Academy shall secure the services of a Chief Executive Officer, who shall be the chief operating officer of the school, with primary responsibility for day-to-day operations of the Academy, and a liaison between the Academy and Sponsor.

As part of the agreement, the Academy agreed to compensate the Sponsor three percent of all funds received by the Academy from funding provided by ODE, including state start-up grants, for the time, organization, oversight, fees and costs of the Sponsor in overseeing the Academy. Total contract payments of \$60,086 were paid related to the provision of this contract as of June 30, 2011.

**NOTE 15 - CONTINGENCIES**

**A. Grants**

The Academy received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2011.

**B. Full Time Equivalency**

ODE conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the Academy. These reviews are conducted to ensure the Academy is reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The review for the year ended June 30, 2011 resulted in an underpayment of \$757.

**ZENITH ACADEMY  
FRANKLIN COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i>	Grant Award Year	Federal CFDA Number	Receipts	Expenditures
Program Title				
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>				
<b><i>Passed Through Ohio Department of Education:</i></b>				
Nutrition Cluster:				
School Breakfast Program	2011	10.553	\$ 79,487	\$ 79,487
National School Lunch Program	2011	10.555	152,758	152,758
Total Nutrition Cluster			<u>232,245</u>	<u>232,245</u>
Child Nutrition Discretionary Grants Program	2011	10.579	14,000	14,000
<b>Total U.S. Department of Agriculture</b>			<b><u>246,245</u></b>	<b><u>246,245</u></b>
<b><u>U.S. DEPARTMENT OF EDUCATION:</u></b>				
<b><i>Passed Through Ohio Department of Education:</i></b>				
Title I Cluster:				
Title I Grants to Local Educational Agencies Program	2010	84.010	21,063	-
	2011		280,148	263,964
ARRA - Title I Grants to Local Educational Agencies Program	2010	84.389	19,092	-
	2011		137,105	133,652
Total Title I Cluster			<u>457,408</u>	<u>397,616</u>
Special Education Cluster:				
Special Education_Grants to States Program	2011	84.027	69,798	67,073
ARRA - Special Education_Grants to States Program	2010	84.391	8,620	-
	2011		19,635	18,178
Total Special Education Cluster			<u>98,053</u>	<u>85,251</u>
Education Technology State Grants Program	2011	84.318	128	944
English Language Acquisition Grants Program	2010	84.365	3,256	-
	2011		68,659	66,764
Total English Language Acquisition Grants Program			<u>71,915</u>	<u>66,764</u>
Improving Teacher Quality State Grants Program	2011	84.367	10,092	10,475
ARRA - Fiscal Stabilization Program	2010	84.394	170,785	170,785
ARRA - Race to the Top Program	2011	84.395	51,642	47,893
ED Jobs	2011	84.410	124,697	110,073
<b>Total U.S. Department of Education</b>			<b><u>984,720</u></b>	<b><u>889,801</u></b>
<b>Totals</b>			<b><u>\$ 1,230,965</u></b>	<b><u>\$ 1,136,046</u></b>

*The accompanying notes to this schedule are an integral part of this schedule.*

ZENITH ACADEMY  
FRANKLIN COUNTY

NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports Zenith Academy's (the Academy) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.





# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Zenith Academy  
Franklin County  
4606 Heaton Road  
Columbus, Ohio 43229

To the Board of Directors:

We have audited the financial statements of Zenith Academy, Franklin County, Ohio (the Academy), as of and for the year ended June 30, 2011 and have issued our report thereon dated February 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Academy's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Academy's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Academy's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Academy's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### Compliance and Other Matters

As part of reasonably assuring whether the Academy's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion 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*.

We did note a certain matter not requiring inclusion in this report that we reported to the Academy's management in a separate letter dated February 28, 2012.

We intend this report solely for the information and use of management, the Board of Directors, the Academy's sponsor, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

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

February 28, 2012.



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Zenith Academy  
Franklin County  
4606 Heaton Road  
Columbus, Ohio 43229

To the Board of Directors:

### Compliance

We have audited the compliance of Zenith Academy, Franklin County, Ohio (the Academy) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Academy's major federal programs for the year ended June 30, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the Academy's major federal programs. The Academy's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the Academy's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Academy's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Academy's compliance with these requirements.

In our opinion, the Academy complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

### Internal Control Over Compliance

The Academy's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Academy's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Academy's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of management, the Board of Directors, the Academy's sponsor, others within the entity, and federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.

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

February 28, 2012

**ZENITH ACADEMY  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2011**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Nutrition Cluster (CFDA #10.553 and #10.555) and  Title 1 Program Cluster (CFDA #84.010 and #84.389)
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

ZENITH ACADEMY  
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2010-01	To ensure the accurate presentation of the financial statements.	No	Partially Correct. Reported in letter to management.



# Dave Yost • Auditor of State

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

Zenith Academy  
Franklin County  
4606 Heaton Road  
Columbus, Ohio 43229

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

1. In our report dated February 17, 2011, we noted the Board adopted an anti-harassment policy on January 26, 2009. However, this policy did not include all matters required by Ohio Rev. Code 3313.666.
2. The Board amended the policy on April 25, 2011. We read the amended policy, noting it still does not include the following requirements listed in Ohio Rev. Code 3313.666.
  - (1) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666, as amended by House Bill 19 of the 128<sup>th</sup> General Assembly;

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 the Academy's Sponsor, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

February 28, 2012





# Dave Yost • Auditor of State

ZENITH 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  
MARCH 20, 2012