



Dave Yost • Auditor of State

EARLY COLLEGE ACADEMY
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 Changes 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
Independent Accountants' Report On Applying Agreed-Upon Procedure.....	25

THIS PAGE INTENTIONALLY LEFT BLANK



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Early College Academy
Franklin County
345 East Fifth Avenue,
Columbus, Ohio, 43201

To the To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of Early College Academy, Franklin County, Ohio (the Academy), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Academy's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Academy's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the of Early College Academy, Franklin County, as of June 30, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2013, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

July 25, 2014

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

The management's discussion and analysis of the Early College Academy's (the "Academy") financial performance provides an overall review of the Academy's financial activities for the fiscal year ending June 30, 2013. 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 financial highlights for fiscal year 2013 are as follows:

- In total, the net position decreased \$374,657 from fiscal year 2012.
- The Academy had operating revenues of \$967,125 and operating expenses of \$1,556,910 during fiscal year 2013. The Academy also received \$228,718 in federal, state and local grants, \$2,878 in interest and had a \$16,468 loss on disposal during fiscal year 2013.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Academy's financial activities. The statement of net position and statement of revenues, expenses and changes in net position provide information about the activities of the Academy, including all short-term and long-term financial resources and obligations. The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its operations.

Reporting the Academy Financial Activities

Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows

These documents look at all financial transactions and ask the question, "How did we do financially during 2013?" The statement of net position and the statement of revenues, expenses and changes in net position answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account 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 position and changes in that net position. This change in net position 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 can be found on page 9.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes to the basic financial statements can be found on pages 11-22 of this report.

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

The table below provides a summary of the Academy's net position at June 30, 2013 and June 30, 2012.

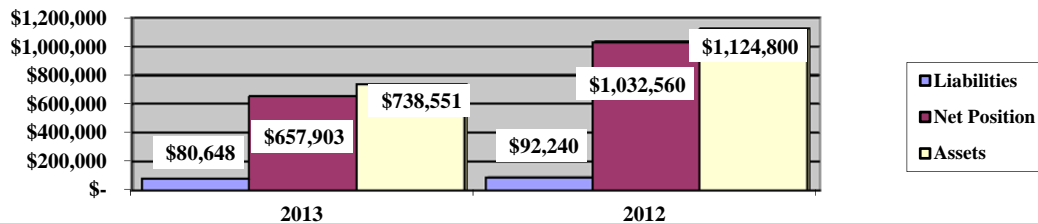
Net Position		
	2013	2012
<u>Assets</u>		
Current assets	\$ 480,191	\$ 1,099,059
Capital assets, net	258,360	25,741
Total assets	738,551	1,124,800
<u>Liabilities</u>		
Current liabilities	80,648	92,240
Total liabilities	80,648	92,240
<u>Net Position</u>		
Investment in capital assets	258,360	25,741
Restricted	30,790	27,831
Unrestricted	368,753	978,988
Total net position	\$ 657,903	\$ 1,032,560

Over time, net position can serve as a useful indicator of an Academy's financial position. At June 30, 2013, the Academy's assets exceeded liabilities by \$657,903. Of this total, \$368,753 is unrestricted. Assets of the Academy decreased \$386,249 or 34.34%. This decrease is primarily due to a decrease in equity in pooled cash and cash equivalents and investments. Liabilities decreased \$11,592 due to less accrued wages and benefits and accounts payable at year-end.

At year-end, capital assets represented 34.98% of total assets. Capital assets consisted of buildings and improvements and equipment. There is no debt related to these capital assets. Capital assets are used to provide services to the students and are not available for future spending.

The chart below illustrates the Academy's assets, liabilities and net position at June 30, 2013 and June 30, 2012.

Governmental Activities



**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

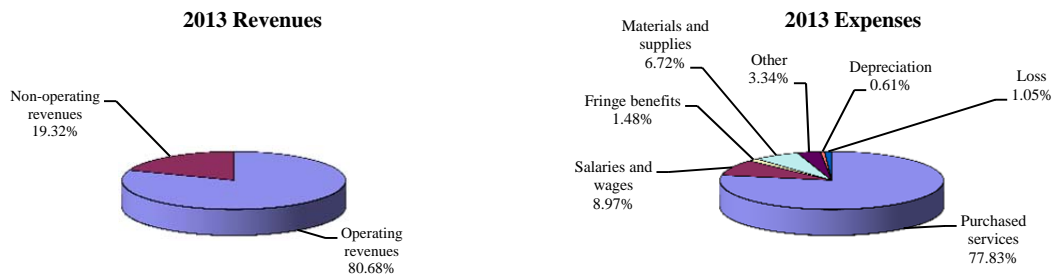
The table below shows the changes in net position for the fiscal year 2013 and fiscal year 2012.

Change in Net Position

	<u>2013</u>	<u>2012</u>
<u>Operating Revenues:</u>		
State foundation	\$ 950,362	\$ 1,021,639
Sales/charges for services	-	2,210
Other revenues	<u>16,763</u>	<u>22,988</u>
Total operating revenue	<u>967,125</u>	<u>1,046,837</u>
<u>Operating Expenses:</u>		
Salaries and wages	141,198	114,242
Fringe benefits	23,313	16,896
Purchased services	1,224,504	1,083,857
Materials and supplies	105,744	57,794
Other	52,615	72,101
Depreciation	<u>9,536</u>	<u>5,132</u>
Total operating expenses	<u>1,556,910</u>	<u>1,350,022</u>
<u>Non-operating revenues (expenses):</u>		
Federal, state and local grants	228,718	250,743
Loss on disposal of capital assets	(16,468)	-
Interest income	<u>2,878</u>	<u>3,670</u>
Total non-operating revenues (expenses)	<u>215,128</u>	<u>254,413</u>
Change in net position	(374,657)	(48,772)
Net position at the beginning of the year	<u>1,032,560</u>	<u>1,081,332</u>
Net position at the end of the year	<u>\$ 657,903</u>	<u>\$ 1,032,560</u>

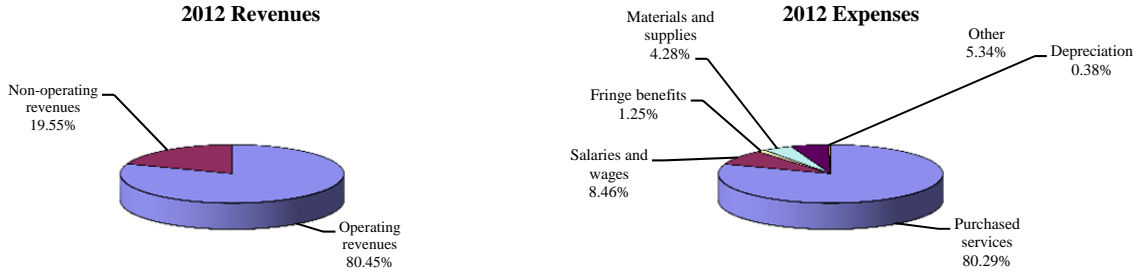
Operating revenues decreased \$79,712 or 7.61% due to a decrease in state foundation revenue. This decrease was the result of a decrease in student enrollment during the year. Operating expenses increased \$206,888 or 15.32%. This increase is due primarily to an increase in costs related to the rent of the new building.

The charts below illustrate the revenues and expenses for the Academy for fiscal year 2013 and 2012.



**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**



Capital Assets

At June 30, 2013, the Academy had \$258,360 invested in buildings and improvements and equipment. See Note 6 in the notes to the basic financial statements for more detail on capital assets.

**Capital Assets at June 30
(Net of Depreciation)**

	Governmental Activities	
	2013	2012
Buildings and improvements	\$ 212,391	\$ -
Equipment	45,969	25,741
	\$ 258,360	\$ 25,741

Current Financial Related Activities

The Academy (formerly called the Academic Acceleration Academy) is sponsored by the Educational Service Central of Central Ohio. The Academy relies primarily on the State Foundation funds and federal and state operating grants.

In order to continually provide learning opportunities to the Academy's students, the Academy will apply resources to best meet the needs of its students. It is the intent of the Academy to apply for State and Federal funds that are made available to finance its operations.

Contacting the Academy's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors 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 questions about this report or need additional financial information contact Ms. Arlene Wilson, Treasurer, Early College Academy, 345 East Fifth Avenue, Columbus, OH 43201.

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

Assets:

Current assets:

Equity in pooled cash and cash equivalents	\$	278,538
Investments		155,253
Receivables:		
Accounts		5,420
Accrued interest.		883
Intergovernmental.		36,380
Prepayments		3,717
		480,191
Total current assets		480,191

Non-current assets:

Depreciable capital assets, net		258,360
Total non-current assets.		258,360
Total assets.		738,551

Liabilities:

Accounts payable.		2,845
Accrued wages and benefits		6,068
Pension obligation payable.		3,564
Intergovernmental payable		68,171
		80,648
Total liabilities		80,648

Net position:

Investment in capital assets.		258,360
Restricted for:		
Restricted for locally funded programs.		293
Restricted for state programs.		6,862
Restricted for federal programs		23,635
Unrestricted.		368,753
		657,903
Total net position.	\$	657,903

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

Operating revenues:	
State foundation	\$ 950,362
Other revenues	16,763
Total operating revenues	967,125
Operating expenses:	
Salaries and wages.	141,198
Fringe benefits.	23,313
Purchased services.	1,224,504
Materials and supplies	105,744
Other operating expenses.	52,615
Depreciation	9,536
Total operating expenses.	1,556,910
Operating loss	(589,785)
Non-operating revenues (expenses):	
Federal, state and local grants	228,718
Interest income	2,878
Loss on disposal of capital assets	(16,468)
Total nonoperating revenues (expenses)	215,128
Change in net position	(374,657)
Net position at beginning of year.	1,032,560
Net position at end of year	\$ 657,903

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

Cash flows from operating activities:	
Cash received from state foundation	\$ 951,605
Cash received from other operations	11,343
Cash payments for salaries and wages.	(148,859)
Cash payments for fringe benefits	(21,303)
Cash payments for purchased services	(1,227,461)
Cash payments for materials and supplies	(103,843)
Cash payments for other expenses	(53,928)
	<u> </u>
Net cash used in operating activities	<u>(592,446)</u>
Cash flows from noncapital financing activities:	
Cash received from local, state and federal grants	274,826
	<u> </u>
Net cash provided by noncapital financing activities.	<u>274,826</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(258,623)
	<u> </u>
Net cash used in capital and related financing activities.	<u>(258,623)</u>
Cash flows from investing activities:	
Interest received	3,623
Maturity of investments	228,809
Purchase of investments	(155,253)
	<u> </u>
Net cash provided by investing activities	<u>77,179</u>
Net decrease in cash and cash cash equivalents	(499,064)
Cash and cash equivalents at beginning of year	777,602
Cash and cash equivalents at end of year	\$ 278,538
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (589,785)
Adjustments:	
Depreciation	9,536
Changes in assets and liabilities:	
(Increase) in accounts receivable	(168)
Decrease in intergovernmental receivable	128
(Increase) in prepayments	(565)
(Decrease) in accounts payable.	(9,655)
(Decrease) in accrued wages and benefits	(7,661)
(Decrease) in intergovernmental payable	4,178
Increase in pension obligation payable	1,546
	<u> </u>
Net cash used in operating activities	\$ (592,446)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE ACADEMY AND REPORTING ENTITY

The Early College Academy (the "Academy") is a nonprofit corporation established by Ohio Revised Code Chapters 3314 and 3314.03 to establish a new conversion school in Columbus City Schools. The Academy is designed to serve high school students who are over-aged for their grade placement for participation in an intensive program to accelerate graduation from high school and transition to an appropriate post secondary placement. The Academy, which is part of the State's education program, is nonsectarian in its programs, admission policies, employment practices and all other operations. The Academy is an approved tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code and management is not aware of any course of action or series of events that have occurred that might adversely affect their tax exempt status. The Academy may sue or be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy.

The Academy was certified by the State of Ohio Secretary of State as a non-profit organization on March 7, 2006 and was formerly called Academic Acceleration Academy. The Academy was approved for operation under a contract with the Columbus City Schools as the sponsor for five years commencing July 1, 2006 and continuing through June 30, 2011. On June 17, 2011, the Academy approved an agreement to change sponsors to the Education Service Center of Central Ohio (the "Sponsor"). The agreement is for the period July 1, 2011 through June 30, 2013. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration. Charter School Specialists, LLC ("CSS") serves as the fiscal agent for the Academy (See Note 8). The Academy served 157 students during fiscal year 2013 and was the 771st largest by enrollment among the 918 public school districts and community schools in the State.

The Academy operates under the direction of a nine-member Board of Directors which consists of individuals who represent the interests of the parents served by the Academy.

The Sponsor, under a purchased services basis with the Academy, provides planning, instructional, administrative and technical services. Certified personnel providing services to the Academy on behalf of the Sponsor under the purchased services basis are considered employees of the Sponsor, and the Sponsor is solely responsible for all payroll functions (See Note 8).

During fiscal year 2013, the Academy had a personnel agreement with the Charter School Specialists, LLC ("CSS"). Under this agreement, non-certificated personnel providing services to the Academy on behalf of CSS under the purchased service basis are considered employees of CSS, and CSS is solely responsible for all payroll functions (See Note 8).

Reporting Entity:

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Academy consists of all funds, departments, boards, and agencies that are not legally separate from the Academy. For the Early College Academy, this includes instructional activities of the Academy.

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE ACADEMY AND REPORTING ENTITY - (Continued)

Component units are legally separate organizations for which the Academy is financially accountable. The Academy is financially accountable for an organization if the Academy appoints a voting majority of the organization's Governing Board and (1) the Academy is able to significantly influence the programs or services performed or provided by the organization; or (2) the Academy is legally entitled to or can otherwise access the organization's resources; the Academy is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Academy is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Academy in that the Academy approves the budget and issuance of debt. The Academy has no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the Academy have been prepared in conformity with accounting principles generally accepted in the United States of America (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's significant accounting policies are described below.

A. Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

B. Measurement Focus and Basis of Accounting

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources are included on the statement of net position. Statement of revenues, expenses and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in total 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 relates to the timing of the measurements made. The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

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 Section 5705, unless specifically provided in the Academy's contract with its Sponsor, except for Ohio Revised Code Section 5705.391 as it relates to five year forecasts and spending plans. The contract between the Academy and its Sponsor requires a detailed school budget for each year of the contract; however, the budget does not have to follow the provisions of Ohio Revised Code Section 5705.

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

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

D. Cash and Investments

Cash received by the Academy is maintained in demand deposit accounts.

During fiscal year 2013, investments were limited to investments in non-negotiable certificates of deposit. Non-participating investment contracts, such as non-negotiable certificates of deposit, are reported at cost.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Academy are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

E. Capital Assets and Depreciation

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. During fiscal year 2013, the Academy maintained a capital asset threshold of \$2,000. The Academy does not have any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated. Depreciation is computed using the straight-line method. Buildings and improvements are depreciated from 10-25 years. Equipment consists of computers and equipment is depreciated from three to ten years.

F. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its 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.

The Academy applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

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

G. Intergovernmental Revenue

The Academy currently participates in the State Foundation Program, Race to the Top grant, IDEA VI-B grant, Title I grant, Title II-D, EMIS grant and Education Jobs grant. Revenues received from the State Foundation Program are recognized as operating revenues in the accompanying financial statements. Grants and entitlements are recognized as non-operating revenues in the accounting period in which all 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 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. Federal, State and local grant revenue for fiscal year 2013 was \$228,718.

H. Accrued Liabilities

The Academy has recognized certain expenses due, but unpaid as of June 30, 2013. These expenses are reported as accrued liabilities in the accompanying financial statements.

I. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in the statement of net position. These items are reported as assets on the statement of net position using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

J. 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.

K. Estimates

The preparation of financial statements in conformity with GAAP 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.

L. Economic Dependency

The Academy receives approximately 98% of its operating revenue from the Ohio Department of Education. Due to the significance of this revenue source, the Academy is considered to be economically dependent on the State of Ohio Department of Education.

EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2013, the Academy has implemented GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities" and GASB Statement No. 66, "Technical Corrections-2012".

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the Academy.

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the Academy.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the Academy.

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on an Academy's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the Academy's financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources.

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

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

GASB Statement No. 66 enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the Academy.

NOTE 4 - CASH AND CASH EQUIVALENTS

Deposits with Financial Institutions

At June 30, 2013, the carrying amount of all Academy deposits, including \$155,253 of nonnegotiable certificates of deposit, was \$433,791. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2013, all of the Academy's bank balance of \$510,393 was covered by the Federal Deposit Insurance Corporation.

NOTE 5 - RECEIVABLES

At June 30, 2013, receivables consisted of accrued interest receivable and intergovernmental receivables. The receivables are expected to be collected in full within one year. A summary of the receivables follows:

	Amount
Intergovernmental receivables:	
IDEA Part-B	\$ 9,040
Title I	25,885
Payment from SERS	1,455
Total intergovernmental receivables	36,380
Accounts receivable	5,420
Accrued interest receivable	883
Total receivables	\$ 42,683

NOTE 6 - CAPITAL ASSETS

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

	Balance 6/30/2012	Additions	Reductions	Balance 6/30/2013
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	\$ -	\$ 217,915	\$ -	\$ 217,915
Equipment	54,143	40,708	(40,233)	54,618
Total capital assets, being depreciate	54,143	258,623	(40,233)	272,533
<i>Less: accumulated depreciation</i>				
Buildings and improvements	-	(5,524)		(5,524)
Equipment	(28,402)	(4,012)	23,765	(8,649)
Less: accumulated depreciation	(28,402)	(9,536)	23,765	(14,173)
Net capital assets	\$ 25,741	\$ 249,087	\$ (16,468)	\$ 258,360

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

NOTE 7 - PURCHASED SERVICES

For the fiscal year ended June 30, 2013, purchased services expenses were as follows:

Professional and technical services	\$ 953,004
Property services	153,028
Travel milage/meetings	1,679
Communications	44,062
Utilities	32,096
Other purchased services	40,635
Total	<u>\$ 1,224,504</u>

NOTE 8 - SERVICE AGREEMENTS

A. Charter School Specialists, LLC

The Academy entered into a service contract with Charter School Specialists, LLC (CSS), for a period of twelve months commencing July 1, 2012, to provide fiscal, student data, and Comprehensive Continuous Planning (CCP) consulting services. The School paid CSS \$39,084 in service fees for fiscal year 2013.

B. Educational Service Center of Central Ohio

The Community School Sponsorship Contract between the Academy and Educational Service Center of Central Ohio (the "Sponsor") outlined the specific payments to be made by the Academy to the Sponsor during fiscal year 2013.

Under the Community School Sponsorship Contract, the Academy agrees to pay the following:

1. The Academy shall annually pay to Sponsor, from the funding provided to the Academy by the Ohio Department of Education pursuant to Section 3314.08 of the Ohio Revised Code, a portion of such funds. Per student payments shall be calculated against the state foundation formula, with the per student calculation set at three percent (3%) of the state foundation payment per pupil, as provided for by the State of Ohio. The schedule for such payments shall be as mutually agreed by the parties, and the amount of such payments may be varied by mutual agreement of the parties. It is further agreed that up to twenty-five percent (25%) of these fees shall be set aside by the Sponsor and earmarked annually for professional development or other related services for the Board.
2. In the event that the Sponsor, as permitted herein, provides special education and related services required by a student's IEP, the Academy shall pay to the Sponsor the funds received by the Academy from the Department of Education on account of such student, except that the Academy may retain sufficient funds to cover its actual costs related to such student, if any.
3. The Academy shall pay to Sponsor such other amounts as are mutually agreed, including fees for any services provided to the Academy by the sponsor.

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

NOTE 8 - SERVICE AGREEMENTS (Continued)

B. Educational Service Center of Central Ohio (Continued)

4. Upon dissolution, the Academy, as a "Public Benefit Corporation" under Section 1702.01 (P) of the Ohio Revised Code, shall distribute any remaining assets to another community school, public benefit corporation or other entity that is recognized as except under section 501 c (3) of the Internal Revenue Code of 1986 as amended.

During the fiscal year ended June 30, 2013, the Academy made payments of \$922,194 to the Sponsor, which includes the 3 percent fee plus the Academy's reimbursement for payroll and benefit expenditures of certificated personnel.

NOTE 9 - OPERATING LEASES

The Academy entered into a lease for fiscal year 2013 with OMNI Management Group to lease a building located 345 East Fifth Avenue, Columbus, Ohio, 43201. The initial terms of the lease were five years commencing July 1, 2012 and ending June 30, 2017. Lease payments for fiscal year 2013 total \$122,248.

NOTE 10 - RISK MANAGEMENT

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 contracted personnel; and natural disasters. For fiscal year 2013, the Academy had general liability insurance through Wells Fargo Insurance Services of Ohio, LLC.

Settled claims have not exceeded commercial coverage in the past year. There was no significant reduction in coverage from the prior fiscal year.

NOTE 11 - CONTINGENCIES

A. Grants

The Academy received financial assistance from state agencies in the form of grants. The expenditure 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. 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, 2013.

B. State Foundation Funding

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The Academy anticipates no adjustments to State funding for fiscal year 2013 as a result of the reviews which have yet to be completed.

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The Academy contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, 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 writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Media/Financial Reports".

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 Academy rate 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 2013, 13.05 percent and .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 Academy's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$5,148, \$5,005 and \$551, respectively; 100 percent has been contributed for fiscal years 2013, 2012 and 2011.

B. State Teachers Retirement System of Ohio

Plan Description - The Academy 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 website at www.strsoh.org, under "Publications".

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. 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.

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

NOTE 12 - PENSION PLANS - (Continued)

B. State Teachers Retirement System of Ohio (Continued)

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

Funding Policy - For fiscal year 2013, 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. Contribution rates are established by the 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. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Academy's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012 and 2011 were \$14,243, \$10,783 and \$14,791, respectively; 82.39 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. Contributions to the DC and Combined Plans for fiscal year 2013 were \$277 made by the Academy and \$198 made by plan members.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The Academy 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 Section 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 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Media/Financial Reports".

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

NOTE 13 - POSTEMPLOYMENT BENEFITS (Continued)

A. School Employees Retirement System (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 2013, .16 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. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the actuarially determined amount was \$20,525.

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 Academy's contributions for health care (including surcharge) for the fiscal years ended June 30, 2013, 2012 and 2011 were \$159, \$217 and \$67, respectively; 100 percent has been contributed for fiscal years 2013, 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2013, 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, 2013, 2012, and 2011 were \$291, \$296 and \$35, respectively; 100 percent has been contributed for fiscal years 2013, 2012 and 2011.

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2013, 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, 2013, 2012 and 2011 were \$1,096, \$829 and \$1,138, respectively; 82.39 percent has been contributed for fiscal year 2013 and 100 percent has been contributed for fiscal years 2012 and 2011.

**EARLY COLLEGE ACADEMY
FRANKLIN COUNTY, OHIO**

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

NOTE 14 - SUBSEQUENT EVENT

On August 15, 2013, the Academy and the Sponsor agreed to renew their sponsorship agreement for an additional three years, expiring on August 29, 2016

NOTE 15 – PENDING LITIGATIONS

On May 27, 2014 the Academy filed for litigation against OMNI Corporation for breach of contract. Upon an initial hearing OMNI decided it would complete the sale of property at 345 E. Fifth Ave. Upon this decision the Academy is holding off on litigation pending the completion of the purchase. The Academy is the plaintiff in the case if the Academy is unsuccessful in its litigation its exposure would include payment of Omni's attorney fees which are not determinable. Litigation is still pending as of July 25, 2014.



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*

Early College Academy
Franklin County
345 East Fifth Avenue,
Columbus, Ohio, 43201

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 Early College Academy, Franklin County, (the Academy) as of and for the year ended June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated July 25, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Academy's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion(s) on the financial statements, but not to the extent necessary to opine on the effectiveness of the Academy's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Academy's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under Government Auditing Standards.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Academy's internal control or on compliance. This report is an integral part of an audit performed under Government Auditing Standards in considering the Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Dave Yost
Auditor of State
Columbus, Ohio

July 25, 2014



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

Early College Academy
Franklin County
345 East Fifth Avenue
Columbus, Ohio 43212

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the 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 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 Early College Academy (the 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 August 1, 2013, we noted the Board adopted an anti-harassment policy on February 16, 2012. However, this policy did not include all matters required by Ohio Rev. Code 3313.666.
2. We inquired with the Board's management regarding the aforementioned policy. They stated they have not amended the policy. The policy lacks the following required by Ohio Rev. Code Section 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 of the latest amendment;

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 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 initial "D" and a long, sweeping tail on the "y".

Dave Yost
Auditor of State
Columbus, Ohio

July 25, 2014



Dave Yost • Auditor of State

EARLY COLLEGE 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
SEPTEMBER 23, 2014**