PHOENIX VILLAGE ACADEMY SECONDARY 1
NOW DOING BUSINESS AS HBCU PREPARATORY SCHOOL 2
CUYAHOGA COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2013

Dave Yost • Auditor of State

PHOENIX VILLAGE ACADEMY SECONDARY 1
CUYAHOGA COUNTY

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INDEPENDENT AUDITOR'S REPORT

Phoenix Village Academy Secondary 1
Cuyahoga County
12406 Shaker Boulevard
Cleveland, Ohio 44120

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Phoenix Village Academy Secondary 1, Cuyahoga 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 provide a basis for our qualified audit opinion.

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Basis for Qualified Opinion

The Academy did not maintain sufficient documentation to support amounts recorded as Capital Assets. The Academy also did not maintain documentation to support the Pension Plans and Post-Employment Benefits disclosures or the disclosures related to the item above.

Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Phoenix Village Academy Secondary 1, Cuyahoga 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 September 2, 2014, 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

September 2, 2014

PHOENIX VILLAGE ACADEMY SECONDARY 1
CUYAHOGA COUNTY, OHIO

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013
UNAUDITED

The discussion and analysis of Phoenix Village Academy Secondary-1 (The Academy) financial performance provides an overall review of the Academy's financial activities for the fiscal year ended 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 basic financial statements and notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the Academy for the 2013 are as follows:

- Total assets decreased by $30,227 or 10.63%.
- Total liabilities decreased by $22,540 or 21.57%.
- Total net position decreased by $7,687 or 4.27%.
- Total operating revenues were $785,335. Total operating expenses were $ 944,717.

USING THIS ANNUAL REPORT

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

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position reflect how the Academy did financially during fiscal year 2013. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting includes all of the current year revenues and expenses regardless of when cash is received or paid.

These statements report the Academy's net position and changes in that net position. This change in net position is important because it tells the reader whether 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. Non-financial factors include the Academy's student enrollment, per-pupil funding as determined by the State of Ohio, change in technology, required educational programs, and other factors.

The Academy uses enterprise presentation for all of its activities.

STATEMENT OF NET POSITION

The Statement of Net Position answers the question of how the Academy did financially during 2013. This statement includes all assets and liabilities, both financial and capital, and short-term and long-term using the accrual basis of accounting and economic resource focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

Table 1 provides a summary of the Academy's net position for fiscal years 2013 and 2012.

Statement of Net Position | Table 1

	2013	2012 (as Restated)
Assets		
Current Assets	$ 245,553	$ 256,956
Fixed Assets	8,690	27,517
Total Assets	254,243	284,473
Liabilities		
Current Liabilities	81,965	104,505
Long-Term Liabilities	-	-
Total Liabilities	81,965	104,505
Net Position		
Net Investment in Capital Assets	8,690	27,514
Unrestricted	163,588	152,451
Total Net Position	$ 172,278	$ 179,965

Overtime, net position can serve as a useful indicator of governmental financial position. At June 30, 2013, the Academy's net position totaled $172,278 compared to $179,965 in 2012. The Academy reported intergovernmental receivable of $24,035 resulting from the Title I and Special Education expenditures not yet reimbursed by the Ohio Department of Education (See Note 6 for details). In addition the balance of the Academy's loan to Phoenix Village Academy P-2 (its sister school) was $216,518 as of June 30, 2013 compared to $247,018 in 2012.

The Academy also reported accrued wages and benefits of $62,075 and $76,972 for 2013 and 2012 respectively, for payroll and other benefits accrued for its employees. The Academy had account payable of $19,190 and $18,686 for fiscal years 2013 and 2012, respectively, due to several vendors. In addition a prior year adjustment of $10,634 was made due to the discovery and corrections of prior years' errors in the accounts payable and long-term liability balances (see Note 4 for details).

Statement of Revenues, Expenses and Changes in Net Position

Table 2 shows the changes in net position for fiscal years 2013 and 2012, as well as a listing of revenues and expenses. 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 cause of this may be the result of many factors, some financial, some not. Non-financial factors include the current laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

Table 2

Change in Net Position

	2013	2012 (As Restated)
Operating Revenue		
State Aid	$ 783,190	$ 923,281
Local Revenue	2,145	1,700
Total Operating Revenue	785,335	924,981
Operating Expenses		
Salaries	394,256	481,786
Fringe Benefits	96,168	57,450
Purchased Services	419,375	422,284
Materials and Supplies	12,515	20,627
Capital Outlays	3,579	4,169
Depreciation	18,824	13,885
Other	-	447
Total Operating Expenses	944,717	1,000,648
Operating Loss	(159,382)	(75,667)
Non-Operating Revenues and (Expenses)		
Grants - Federal and State	136,054	132,898
Miscellaneous	15,641	-
Total Non-Operating Revenues	151,695	132,898
Change in Net Position	(7,687)	57,231
Net Position Beginning of the Year (Restated)	179,965	122,734
Net Position End of Year	$ 172,278	$ 179,965

Revenues generated by a community school are almost entirely dependent on per pupil allotment given by the State foundation and from grants from the United State Department of Education. The School received less in foundation revenues due to decreased student enrollment from 119 in 2012 to 101 in 2013.

The Academy received federal and state grant monies through, Title I, Title VI-B of $136,054 in 2013 compared to $132,898 in 2012. In addition, the Academy received $15,641 in 2013 from the Ohio Department of Jobs and Family Services for reimbursement relating to a rate reduction from the State unemployment insurance program.

The Academy's operating expenses decreased to $944,717 from 1,000,648 due to decreased staffing costs and purchased services in 2013. The decrease is a direct result of the reduced student enrollment in 2013.

BUDGETING HIGHLIGHTS

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Rev. Code Chapter 5705, unless specifically provided in the community school's contract with its sponsor.

The contract between the Academy and its Sponsor does prescribe a budgetary process. The Academy has developed a one year spending plan and a five-year forecast that is reviewed semi-annual by the Board of Trustees. The five-year forecast is also submitted to the Sponsor and the Ohio Department of Education, annually.

CAPITAL ASSETS

The Academy has net investment in capital assets. Detailed information regarding capital asset activity is included in the Note 7 in the notes to the basic financial statements.

DEBT OBLIGATIONS

The Academy has no long term debt obligations outstanding at June 30, 2013.

RESTRICTIONS AND OTHER LIMITATIONS

The future stability of the Academy is not without challenges. The Academy does not receive any funds from taxes. The primary source of funding is the State foundation program. An economic slowdown in the State could result in budgetary cuts to education, which would have a negative impact on the Academy.

CONTACTING THE ACADEMY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our clients and creditors with a general overview of the Academy's finances and to demonstrate accountability for the money it receives. If you have questions about this report or need additional information, please contact Mr. Sylvester Monroe, Treasurer, 12406 Shaker Blvd. Cleveland, Ohio 44120 or e-mail at smonroe.treasurer@gmail.com

PHOENIX VILLAGE ACADEMY SECONDARY-1
CUYAHOGA COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2013

Assets:		
Current assets:		
Cash and Cash Equivalents.	$	-
Short Term Loan to PVA P-2		216,518
Intergovernmental Receivable.		24,035
Deposits and Escrow.		5,000
Total current assets		245,553
Noncurrent assets:		
Depreciable capital assets, net		8,690
Total assets		254,243
Liabilities:		
Current liabilities:		
Accounts payable.		19,190
Accrued wages and benefits		62,075
Due to Others		700
Total liabilities		81,965
Net Position:		
Net Investment in Capital Assets		8,690
Unrestricted		163,588
Total Net Position.	$	172,278

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PHOENIX VILLAGE ACADEMY SECONDARY-1
CUYAHOGA COUNTY, OHIO

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

Operating revenues:	
Local Sources	$ 2,145
State foundation	783,190
Total operating revenues	785,335
Operating expenses:	
Salaries	394,256
Fringe Benefits	96,168
Purchased services	419,375
Materials and supplies	12,515
Depreciation	18,824
Capital Outlays	3,579
Total operating expenses.	944,717
Operating loss	(159,382)
Non-operating revenues:	
Federal and State grants.	136,054
Miscellaneous	15,641
Total non-operating revenues	151,695
Change in net assets	(7,687)
Net Position at beginning of year (Restated)	179,965
Net Position at end of year	$ 172,278

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PHOENIX VILLAGE ACADEMY SECONDARY-1
CUYAHOGA COUNTY, OHIO

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

Cash flows from operating activities:		
Cash received from Local Sources	$	2,145
Cash received from state foundation		783,190
Cash payments for purchased services -		(427,018)
Cash payments for Employees		(409,153)
Cash payments for Employee Benefits		(96,168)
Cash payments for materials and supplies		(12,515)
Cash payments for other expenses		(3,579)
Net cash used in operating activities		(163,098)
Cash flows from noncapital financing activities:		
Cash received from Federal and State grants		115,489
Cash received from miscellaneous sources		15,641
Net cash provided by noncapital financing activities.		131,130
Cash flows from capital and related financing activities:		
Cash Received from School Advance.		30,500
Net cash used in capital and related financing activities.		30,500
Net increase (decrease) in cash and cash		
Net increase in cash		(1,468)
Cash at beginning of year		1,468
Cash at end of year.	$	-
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss.	$	(159,382)
Adjustments:		
Depreciation		18,824
Changes in assets and liabilities:		
Increase in accounts payable		504
(Decrease) in accrued wages and benefits		(14,897)
(Decrease) in intergovernmental payable		(2,147)
(Decrease) in due to Others		(6,000)
Net cash used in operating activities	$	(163,098)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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1. DESCRIPTION OF ENTITY

Phoenix Village Academy School Secondary 1 (The Academy) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of students in kindergarten through the second grade. The Academy qualified as an exempt organization under Section 501 (c) (3) of the Internal Revenue Code effective September 29, 2006. 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 Academy, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admissions policies, employment practices, and all other operations. The Academy may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy. The Academy was approved for operation under a contract with Ohio State Board of Education. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or termination the contract prior to its expiration.

Kids Count of Dayton, Inc. is currently the Sponsor of the School.

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

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 nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Academy's accounting policies are described below.

A. BASIS OF PRESENTATION

The Academy's basic financial statements consist of a Statement of Net Position, a Statement of Revenue, Expenses and Changes in Net Position, and a Statement of Cash Flows.

The Academy uses a single enterprise presentation for its financial records. Enterprise fund reporting focuses on the determination of the changes net position, financial position and cash flows.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The enterprise activity is 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 position. The statement of revenues, expenses, and changes in net position presents increases (e.g revenues) and decreases (e.g expenses) in total net position. The statement of cash flows reflects how the Academy's finances meet its cash flow needs.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Academy's financial statements are prepared using the accrual basis of accounting

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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 nonexchange 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.

C. BUDGETARY PROCESS

Unlike other public schools located in the state of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided for in the schools sponsorship agreement. The contract between the Academy and its Sponsor requires a budget to be adopted annually, and be reviewed on a monthly basis. The Board also develops a five year forecast which is reviewed semi-annually.

D. CASH AND CASH EQUIVALENTS

All monies received by the Academy are maintained in a demand deposit account. The Academy considers all short-term, highly liquid and investments with an initial maturity of 3 months or less to be cash equivalents. The Academy had no investments at June 30, 2013.

E. ESTIMATES

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

F. CAPITAL ASSETS

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

Asset	Useful Life
Furniture, Equipment and Materials	5 years
Computers and Office Equipment	7 years

The Academy has an asset capitalization threshold policy of $1,000. (See Note 7)

G. NET POSITION

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use 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.

H. ACCRUED LIABILITIES

Obligations incurred but unpaid at June 30 are reported as accrued liabilities in the accompanying financial statements. As of June 30, 2013 accounts payable was $19,190, including a negative cash balance of $8,633.

I. ACCRUED WAGES AND BENEFITS

Accrued Wages and benefits represent the total wages and benefits already earned by employees as of June 30, 2013. The total accrued wages and benefits was $62,075 at June 30, 2013.

J. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activities of the Academy. For the Academy, these revenues are primarily the State Foundation program. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the Academy. Revenue and expenses not meeting this definition are reported as non-operating.

K. ADVANCES TO/FROM SCHOOLS

Phoenix Village Academy Primary 2 and Phoenix Village Academy Secondary 1 are considered family schools. These academies have the same educational philosophy, methodology and provide continuity in the student's educational career, from the primary to the secondary buildings. Charter schools traditionally are underfunded and rely primarily on the state foundation, state and federal grants to finance operations. From time to time, the academies experience cash flow shortages. These academies advance cash to each other to ensure there is sufficient cash to meet payroll and operational expenses. This activity is reported in the Statement of Net Position as Short Term Loan to PVA P-2 for the academy.

These advances are considered collectible. (See Note 8)

3. CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2013, the Academy has implement Governmental Accounting Standard Board (GASB) *Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements", Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", Statement No. 65 "Items previously Reported as Assets and Liabilities", and Statement No. 66, "Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62."*

GASB Statement No. 62 incorporates into GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the Academy's financial statements.

3. CHANGES IN ACCOUNTING PRINCIPLES (CONTINUED)

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the Academy's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources, or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the Academy's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the Academy's financial statements.

4. RESTATEMENT OF PRIOR YEAR'S NET POSITION

In 2013, the Academy discovered errors in its accounts payable and long term debt balance that were reported in prior years.

- A review of the accounts payable showed balances were left outstanding for a period of more than 365 days, when the corresponding liability or receivable has already been paid or received.

- In addition, the Academy recorded long-term liability from Ashe Cultural Center of $50 in the prior year. The liability was already paid in the prior years and the payment was not recorded.

The correction of the above described errors resulted in a restatement of the prior year's net position as follows:

		Error Corrections		
	Original Balance at 6/30/12	Debit	Credit	Restated Balance at 6/30/12
Accounts Payable	$ 29,270	$ 10,584	$ -	$ 18,686
Long-term Liability	50	50	-	-
Unrestricted Net Position	169,331		10,634	179,965

The net effect of these error corrections on the Academy's Net Positon follows:

Net Position at June 30, 2012	$ 169,331
Net effect of error corrections	$ 10,634
Net Position at June 30, 2012 (Restated)	$ 179,965

5. CASH AND CASH EQUIVALENTS

The Academy had no deposit policy for custodial risk beyond the requirement of state statute. Ohio law requires that deposits either be insured or be protected by eligible securities pledged to and deposited either with the Academy or a qualified trustee by the financial institution as security for repayment or by a collateral pool of eligible securities deposited with a qualified trustee to secure repayment of all public monies deposited in the financial institution whose market value shall be at least 105% of deposits being secured. At June 30, 2013 none of the bank balances were exposed to custodial credit risk.

The Academy maintains its cash balances at one financial institution located in Ohio. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000, per qualifying account. At June 30, 2013, the book amount of the Academy's deposits was a negative ($8,633), and the bank balance was a negative ($119). The negative ($8,633) is included in the accounts payable balance in the statement of net position.

6. INTERGOVERNMENTAL RECEIVABLE

Receivables at June 30, 2013, consisted of intergovernmental receivable (Federal and State grants). All receivables are considered collectible in full and will be received within one year.

A summary of the principal items of intergovernmental receivables follows:

Description	Amount
Title I	$ 21,098
Title IV-B	2,937
Total Intergovernmental Receivable	$ 24,035

7. CAPITAL ASSETS

Capital Assets activities for the fiscal year ended June 30, 2013 was as follows:

	Balance at 6/30/2012	Additions	Deletions	Balance at 6/30/2013
Capital Assets being depreciated				
Computer Equipment	$ 118,253			$ 118,253
Furniture and Appliances	9,655			9,655
Total Capital assets being depreciated	127,908	-	-	127,908
Less Accumulated Depreciation				
Computer Equipment	(98,110)	(16,893)		(115,003)
Furniture and Appliances	(2,284)	(1,931)		(4,215)
Total Accumulated Depreciation	(100,394)	(18,824)	-	(119,218)
Total Capital Assets, Net	$ 27,514	$ (18,824)	$ -	$ 8,690

8. DUE FROM SCHOOLS

The Academy's advance loan to Phoenix Village Academy Primary 2 activity is presented in the following table:

	Short-Term Loan to PVA P-2 6/30/2012	Additions	Reductions	Short-Term Loan to PVA P-2 6/30/2013
Phoenix Village Academy P-2	$ 247,018	$13,000	$43,500	$ 216,518

The aforementioned has not yet been repaid at the June 30, 2013 and is recorded in the Statements of Net Position as Short-term loan to PVA P-2.

These advances are approved by the Academy's administration with the Board and Sponsor acknowledgement.

9. DUE TO OTHERS

The table below details the Academy's Due to others activity for the fiscal year:

	Due to Others 6/30/2012	Additions	Reduction	Due To Others 6/30/2013
Phoenix Village P-1	$ 700		$ 0	$ 700
LED Consulting, Inc.	$ 6,000	$ 0	$ 6,000	$ 0
	$ 6,700	$0	$ 6,000	$ 700

These payments were received to assist the Academy in meeting its financial obligations; no written agreements exist governing these types of transactions. No interest is assessed.

10. EDUCATIONAL FACILITY LEASE

The Academy leases its facility with the former Our Lady of Peace Parish. The Academy signed a four year lease agreement effective July 1, 2011, is expiring June 30, 2015. Monthly payments under the terms of the lease increase each year according to an agreed upon schedule. In fiscal year 2013, the Academy paid $70,292 in rental and related occupancy payments and expenses. This amount is recorded and reflected in the Statement of Revenue, Expenses and Change in Net Position as purchased services.

11. RISK MANAGEMENT

A. PROPERTY & LIABILITY

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. For the fiscal year 2013, the Academy contracted with Philadelphia Insurance Companies for all of its insurance.

B. WORKERS' COMPENSATION

The Academy pays the State Worker's Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

C. EMPLOYEE BENEFITS

The Academy provides medical benefits to most employees. Depending upon the plan chosen, the employees share the cost of the monthly premium with the Board. The premium varies with employees depending on age, gender, and number of dependents.

12. PENSION PLANS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO (SERS OHIO)

Plan Description - The Academy contributes to the school Employees Retirement System (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 Charter 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, or by calling 1-800-878-5853. It is also posted on the SERS' Ohio website, www.ohsers.org, under *Employers/Audit Resources.*

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute at 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with advice from the actuary, allocates the employer contribution rate among four of the system's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2013, the allocation to pension and death benefits was 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care Funds. The School's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012, and 2011 were $21,106, $19,123, and $13,727, respectively. 100 percent of that amount was contributed for the fiscal year ended June 30, 2013, 2012, and 2011.

12. PENSION PLANS (CONTINUED)

B. STATE TEACHERS RETIREMENT SYSTEM (STRS OHIO)

Plan Description – The Academy participates in the State Teachers Retirement 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, Ohio 43215-3771, by calling 614-227-4090, or by visiting the STRS Ohio Web site at www.strsoh.org.

Plan Options – New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on 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% of earned compensation into an investment account. Investment decisions are made by the member. A member may elect to receive a lifetime monthly annuity or 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 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 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 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 $ 28,386, $28,960,and 30,370, respectively; 100 percent has been contributed for the fiscal years 2013, 2012, and 2011.

13. POSTEMPLOYMENT BENEFITS

A. SCHOOL EMPLOYEE RETIREMENT SYSTEMS (SERS)

Plan Description – The Academy contributes to the School Employees Retirement System (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. The financial reports may be obtained by writing to the SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746 or calling toll free 800-878-5853. It is also posted on the SERS' Ohio Website, www.ohsers.org, under *Employers/Audit Resources.*

13. POSTEMPLOYMENT BENEFITS (CONTINUED)

SCHOOL EMPLOYEE RETIREMENT SYSTEMS (SERS) (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, 0.16 percent of covered payroll was allocated to health care. An additional healthcare surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated according to service credit earned. For fiscal year 2013, the actuarially determined amount was $20,525.

Active member 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 fiscal years ended June 30, 2013, 2012, and 2011 were $ 258, $4,072, and $ 2,824 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 0.74 percent of covered payroll. The Academy's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were $ 1,192, $ 1,231, and $ 883 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, physician's fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS of Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and give 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 fiscal years ended June 30, 2013, 2012 and 2011 were $ 2,184, $2,227, and $2,336 respectively; 100 percent has been contributed for the fiscal years 2013, 2012 and 2011.

14. 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 agreement and are subject to audit by the grantor. Any disallowed costs may require refunding to the grantor. Amount which may be disallowed, if any, are not presently determinable. However, in the opinion of the Academy, any such adjustments will not have a material adverse effect on the financial position of the Academy.

B. FULL-TIME EQUIVALENCY

The Ohio Department of Education (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 fiscal year 2013 review has not been completed at this time.

15. SPONSORSHIP- KIDS COUNT OF DAYTON, INC.

The Academy contracted with Kids Count of Dayton, Inc. as its sponsor and oversight services as required by law. The Academy pays the Sponsor three percent of State Aid. Sponsorship fees are calculated as three percent of state funds received by the Academy from the State of Ohio. For the fiscal year ended June 30, 2013, sponsorship fees totaled $23,359.

16. PURCHASED SERVICES

For the period of July 1, 2012 through June 30, 2013, the Academy made the following purchase service commitments. These commitments included sponsor fees, treasurer services, management and CCIP fees, transportation, student services, etc…

Description	2013 Amount
Professional and Technical Services	$ 34,166
Occupancy	70,292
Sponsorship Fees	23,359
Other contract Services	221,266
Other	70,292
Total Purchased Services	$ 419,375

17. SUBSEQUENT EVENTS

Effective January 1, 2014, the Academy changed its name to HBCU Preparatory School 2. The Academy is a member of the HBCU Preparatory School Network and is motivated by the need to align its core educational and social values with those of the HBCU network and their principles.

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

Phoenix Village Academy Secondary 1
Cuyahoga County
12406 Shaker Boulevard
Cleveland, Ohio 44120

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Phoenix Village Academy Secondary 1, Cuyahoga County, (the Academy) as of and for the year ended June 30, 2013, and have issued our report thereon dated September 2, 2014. We qualified our opinion because the Academy did not maintain sufficient documentation to support amounts recorded as Capital Assets. Additionally, the Academy did not maintain documentation to support the Pension Plans, Post-Employment Benefits and Capital Assets disclosures.

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 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.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the 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. We consider findings 2013-001 and 2013-002 described in the accompanying schedule of findings to be material weaknesses.

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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2013-001 and 2013-002.

Entity's Response to Findings

The Academy's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Academy's responses and, accordingly, we express no opinion on them.

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.

Dave Yost
Auditor of State
Columbus, Ohio

September 2, 2014

PHOENIX VILLAGE ACADEMY SECONDARY 1
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS

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

FINDING NUMBER 2013-001

Condition of Accounting Records- Noncompliance and Material Weakness

Ohio Admin. Code Section 117-2-02(A) states that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Admin. Code.

Ohio Admin. Code Section 117-2-02 (D)(4)(c) states that all local public offices should maintain or provide capital asset records including such information as the original cost, acquisition date, voucher number, the asset type (land, building, vehicle, etc.), asset description, location, and tag number. Local governments preparing financial statements using generally accepted accounting principles will want to maintain additional data.

Management is responsible for implementing and maintaining a system of controls designed to enable management to determine the accuracy of financial transactions of the Academy. Also, management is responsible for developing and maintaining complete and accurate financial records. Instead of complete and accurate financial records, we noted the following:

- The Academy did not maintain capital asset records during the year and has relied on an independent appraisal company report from 2010 for their capital asset records leading us to qualify our financial statement opinion relating to capital assets;
- The Academy does not perform a monthly bank-to-book reconciliation. Reconciliations are generated from the Academy's accounting software on a monthly basis, and are not accurate, nor are they reviewed;
- Checking account reconciliations contained outstanding checks that were either voided or not outstanding at year-end and did not agree to the amounts reported in the financial statements;
- The Academy did not provide accurate schedules of Accrued Payroll;
- The Academy provided a consolidated trial balance but adjustments made to various asset and liability accounts were unsupported;
- Amounts reported in the Academy's pension notes disclosures for 2012 and 2013 were inaccurate.
- One of the six withdrawn students tested did not contain the appropriate or adequate supporting documentation showing the student was withdrawn for a proper purpose;
- No formal agreement was established to allocate rental payments between both schools located within the same building;
- Supporting documentation was not always attached to the voucher packet for disbursements sampled; and
- SERS withholding payments differed from Paycor reports. We noted two variances, one in which inaccurate SERS remittances were made that resulted in overpayments to SERS of $959.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)

FINDING NUMBER 2013-001 (Continued)

Condition of Accounting Records – Noncompliance and Material Weakness (Continued)

The Academy's management has available numerous sources of information describing the process of internal controls, recordkeeping requirements and reporting procedures. It is the responsibility of management to ensure that all responsible parties have access to this literature and training sessions. This deficiency could lead to inaccurate or incomplete financial statements and also prohibited us from obtaining sufficient evidential matter in our procedures to express an unmodified opinion on the financial statements.

We recommend the Academy implement and maintain controls over accounting records and transactions.

Officials' Response: The Governing Board has retained the services of Mr. Sylvester Monroe to perform the Schools' treasury services. Prior to retaining Mr. Monroe, the Governing Board engaged a thorough search for a fiscal officer with demonstrable experience in maintaining accounting systems, including capital asset records, in the manner and format preferred by the Ohio Department of Education and State Auditors. It is our sincere hope that the retention of Mr. Monroe will greatly reduce or eliminate altogether, any fiscal related issues that have been reported.

SCHEDULE OF FINDINGS

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

FINDING NUMBER 2013-002

Developing and Implementing an Effective Monitoring Control System – Noncompliance and Material Weakness

Ohio Admin. Code Section 117-2-01(A) states that all public officials are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance regarding the achievement of objectives for their respective public offices in certain categories. Subsection (C)(5) provides that internal control consists of the following component, among others: monitoring, which is a process that assesses the quality of internal control performance over time.

Monitoring is comprised of regular management and supervisory activities established to oversee whether management's objectives are being achieved. This process involves assessing the design and operation of controls on a timely basis and taking necessary corrective actions.

Monitoring should assist management in identifying unexpected results and/or possible misstatements.

Some effective monitoring practices include:

- Regular review of monthly financial statements;
- Review of revenues and expenses with independently accumulated information (budgets, past performances, peer group representatives, etc.);
- Review of large or unusual fluctuations;
- Identification of unusual fluctuations;
- Comparison of financial statement position with financial projections and other internally prepared projections of financial position and operating results;
- Comparison of predefined key performance indicators based on the financial statements;
- Review of items which have been outstanding for extended periods of time (outstanding check listing for payroll and non payroll transactions);
- Monitoring compliance with grant agreements;
- Ensuring that an adequate segregation of duties exists; and
- Review of monthly bank reconciliations by someone independent of their preparation.

Although the Treasurer prepared monthly financial reports for the Board at each meeting, the Academy failed to perform adequate monitoring over financial activities. The lack of effective monitoring could lead to the misallocation or misstatement of Academy funds, expenditure of funds contrary to the directives of the Board, and non-compliance with federal or state laws or regulations. This could result in a loss of funding from federal and state sources, and errors or irregularities occurring in financial transactions which affect the bank reconciliations could go undetected. This deficiency could lead to inaccurate or incomplete financial statements and also prohibited us from obtaining sufficient evidential matter in our procedures to express an unmodified opinion on the financial statements.

SCHEDULE OF FINDINGS

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
(continued)

FINDING NUMBER 2013-002 (Continued)

Developing and Implementing an Effective Monitoring Control System – Noncompliance and Material Weakness (Continued)

We recommend the Board review the monthly financial reports they receive at their meetings and when satisfied as to their accuracy approve them through the minute records. In addition, management should ensure that any reports required by the grantor agencies, per the terms of grant agreements, are completed accurately and filed with the respective grantor agencies in a timely manner. Management should also ensure that proper segregation of duties exists, including an independent review of the monthly bank reconciliations.

Officials' Response: In addition to retaining the services of Mr. Monroe, the Governing Authority has taken the following action to ensure an effective system of internal controls and monitoring: (1) the Governing Board, or a committee thereof reviews the monthly financial reports provided by Mr. Monroe, which are then subject to formal Board approval; (2) the fiscal officer ensure that any reports required by the grantor agencies are completed accurately and field in a timely manner; and (3) the independent review of the monthly bank reconciliations is now a standard operating procedure.

PHOENIX VILLAGE ACADEMY SECONDARY 1
CUYAHOGA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2013

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2012-001	Board Member Compensation	Yes	Finding for Recovery previously repaid under audit. Finding No Longer Valid
2012-002	Condition of Accounting Records	No	Partially Corrected. Reissued as 2013-001.
2012-003	Developing and Implementing an Effective Monitoring Control System	No	Not Corrected. Reissued as 2013-002.
2012-004	Notice of Public Meetings and Record of Minutes	Yes	Finding No Longer Valid.
2012-005	Annual Financial Reporting	Yes	Finding No Longer Valid

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Dave Yost • Auditor of State

Independent Accountants' Report on Applying Agreed-Upon Procedure

Phoenix Village Academy Secondary 1
Cuyahoga County
12406 Shaker Boulevard
Cleveland, Ohio 44120

To the Board of Trustees:

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 the Phoenix Village Academy Secondary 1 (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 procedure 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 November 20, 2013, we noted the Board had not adopted an anti-harassment policy.

2. The Board adopted the policy on December 19, 2013. We read the policy, noting it includes all the requirements listed in Ohio Rev. Code 3313.666.

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

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

Dave Yost

Dave Yost
Auditor of State

September 2, 2014

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Dave Yost • Auditor of State

PHOENIX VILLAGE ACADEMY SECONDARY1

CUYAHOGA 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 16, 2014

88 East Broad Street, Fourth Floor, Columbus, Ohio 43215-3506
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