



Dave Yost • Auditor of State



ZANESVILLE COMMUNITY HIGH SCHOOL  
MUSKINGUM COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Zanesville Community High School  
Muskingum County  
160 North Fourth Street  
Zanesville, Ohio 43701

To the Governing Authority:

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

We have audited the accompanying financial statements of the Zanesville Community High School, Muskingum County, Ohio, a component unit of Zanesville City School District, Muskingum County, Ohio, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Zanesville Community High School's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Zanesville Community High School, Muskingum County, Ohio as of June 30, 2014, 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 March 16, 2015, on our consideration of the Zanesville Community High School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Zanesville Community High School's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

Columbus, Ohio

March 16, 2015

**Zanesville Community High School**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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The discussion and analysis of the Zanesville Community High School's financial performance provides an overall review of the Zanesville Community High School's financial activities for the fiscal year ended June 30, 2014. Readers should also review the basic financial statements and notes to enhance their understanding of the Zanesville Community High School's financial performance.

**Highlights**

The Zanesville Community High School opened for its first year of operations in fiscal year 2008 for high school age students who have dropped out or are at risk of dropping out of school. During fiscal year 2014, the Zanesville Community High School provided services to 103 full-time students.

Key highlights for fiscal year 2014 are as follows:

- Net position was \$549,356 at June 30, 2014.
- Zanesville Community High School had operating revenues of \$852,959, operating expenses of \$931,502, and non-operating revenues of \$137,387 for fiscal year 2014. The total change in net position for the fiscal year was an increase of \$58,844.

**Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements.

The statement of net position and the statement of revenues, expenses, and changes in net position reflect how the Zanesville Community High School did financially during fiscal year 2014. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the period revenues and expenses regardless of when cash is received or paid.

These statements report the Zanesville Community High School's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the Zanesville Community High School has increased or decreased during the period. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating.

All of the Zanesville Community High School's activities are reported in a single enterprise fund.

**Zanesville Community High School**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

Table 1 provides a summary of the Zanesville Community High School's net position for fiscal year 2014 compared to fiscal year 2013:

Table 1  
Net Position

	2014	2013	Change
<u>Assets:</u>			
Current and Other Assets	\$687,020	\$622,142	\$64,878
<u>Liabilities:</u>			
Current and Other Liabilities	137,664	131,630	6,034
<u>Net Position:</u>			
Unrestricted	\$549,356	\$490,512	\$58,844

Total assets increased \$64,878, which is primarily the result of an increase in cash and cash equivalents resulting from fiscal year 2014 revenues exceeding expenditures. During fiscal year 2014, the Zanesville Community High School expended less in purchased services due to adjustments in the allocation of employees and less in materials and supplies due to additional material and supplies being purchased in fiscal year 2013 for food services.

Total liabilities increased \$6,034 during fiscal year 2014, which is primarily the result of an increase in intergovernmental payable due to an adjustment in the Ohio Department of Education State Foundation funding.

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**Zanesville Community High School**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

Table 2 reflects the changes in net positions for fiscal year ended June 30, 2014, and comparisons to fiscal year 2013.

Table 2  
Change in Net Position

	2014	2013	Change
<u>Operating Revenues:</u>			
Foundation	\$852,472	\$812,129	\$40,343
Contributions and Donations	487	0	487
Charges for Services	0	12,301	(12,301)
Total Operating Revenues	<u>852,959</u>	<u>824,430</u>	<u>28,529</u>
<u>Non-Operating Revenues:</u>			
Operating Grants	136,466	159,159	(22,693)
Interest	921	1,300	(379)
Total Non-Operating Revenues	<u>137,387</u>	<u>160,459</u>	<u>(23,072)</u>
Total Revenues	<u>990,346</u>	<u>984,889</u>	<u>5,457</u>
<u>Operating Expenses:</u>			
Purchased Services	890,448	976,625	(86,177)
Materials and Supplies	41,054	56,452	(15,398)
Total Operating Expenses	<u>931,502</u>	<u>1,033,077</u>	<u>(101,575)</u>
Change in Net Position	58,844	(48,188)	107,032
Net Position Beginning of Year	<u>490,512</u>	<u>538,700</u>	<u>(48,188)</u>
Net Position End of Year	<u><u>\$549,356</u></u>	<u><u>\$490,512</u></u>	<u><u>\$58,844</u></u>

During fiscal year 2014, revenues increased \$5,457. This increase is primarily due to a net effect between an increase in foundation revenue in the amount of \$40,343 and decreases in charges for services in the amount of \$12,301 and in operating grants in the amount of \$22,693. The increase in foundation revenue is a result of changes in the calculation of the special education funding components by the Ohio Department of Education. The decreases in charges for services and operating grants are both the result of decreases in food service revenues.

**Zanesville Community High School**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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During fiscal year 2014, operating expenses decreased \$101,575. This decrease is due to decreases in purchased services in the amount of \$86,177 and material and supplies in the amount of \$15,398. The decrease in purchased services is due to adjustments in the allocation of employees, which resulted in a decrease in payroll expenses. The decrease in materials and supplies is due to additional material and supplies being purchased in fiscal year 2013 for food services.

**Budgeting**

The Zanesville Community High School is not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705.

**Capital Assets and Debt Administration**

**Capital Assets**

During fiscal year 2014, the Zanesville Community High School did not have any capital assets.

**Debt**

The Zanesville Community High School did not incur any debt during fiscal year 2014.

**Current Design**

The Zanesville Community High School is different than a traditional high school in that the Zanesville Community High School is designed to be an open, non-discriminatory atmosphere where students can work at their own pace to earn a high school diploma. Zanesville Community High School operates by joining forces with the area social agencies in an effort to increase a student's developmental assets and eliminate the barriers to academic achievement.

**Contacting the Zanesville Community High School's Financial Management**

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Zanesville Community High School's finances and to show the Zanesville Community High School's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Michael Young, Treasurer, Zanesville Community High School, 160 North Fourth Street, Zanesville, Ohio 43701. You may also e-mail the Treasurer at [myoung@zanesville.k12.oh.us](mailto:myoung@zanesville.k12.oh.us).

**Zanesville Community High School**

*Statement of Net Position*

*June 30, 2014*

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<u>Assets:</u>	
Current Assets:	
Cash and Cash Equivalents	\$645,445
Intergovernmental Receivable	33,254
Prepaid Items	<u>8,321</u>
Total Assets	<u>687,020</u>
<u>Liabilities:</u>	
Current Liabilities:	
Accounts Payable	396
Due to Primary Government	123,517
Intergovernmental Payable	<u>13,751</u>
Total Liabilities	<u>137,664</u>
<u>Net Position:</u>	
Unrestricted	<u>\$549,356</u>
Total Net Position	<u><u>\$549,356</u></u>

See accompanying notes to the basic financial statements

**Zanesville Community High School**  
*Statement of Revenues, Expenses, and Changes in Net Position*  
*For the Fiscal Year Ended June 30, 2014*

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<u>Operating Revenues:</u>	
Foundation	\$852,472
Contributions and Donations	<u>487</u>
Total Operating Revenues	<u>852,959</u>
<u>Operating Expenses:</u>	
Purchased Services	890,448
Materials and Supplies	<u>41,054</u>
Total Operating Expenses	<u>931,502</u>
Operating Loss	<u>(78,543)</u>
<u>Non-Operating Revenues:</u>	
Operating Grants	136,466
Interest	<u>921</u>
Total Non-Operating Revenues	<u>137,387</u>
Change in Net Position	58,844
Net Position Beginning of Year	<u>490,512</u>
Net Position End of Year	<u><u>\$549,356</u></u>

See accompanying notes to the basic financial statements

**Zanesville Community High School**  
*Statement of Cash Flows*  
For the Fiscal Year Ended June 30, 2014

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<u>Increase (Decrease) in Cash and Cash Equivalents</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Foundation	\$866,223
Cash Received from Contributions and Donations	487
Cash Payments to Suppliers for Goods and Services	<u>(939,088)</u>
Net Cash Used for Operating Activities	<u>(72,378)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Operating Grants Received	<u>130,227</u>
Net Cash Provided by Noncapital Financing Activities	130,227
<u>Cash Flows from Investing Activities:</u>	
Interest on Investments	<u>921</u>
Net Cash Provided by Investing Activities	<u>921</u>
Net Increase in Cash and Cash Equivalents	58,770
Cash and Cash Equivalents Beginning of Year	<u>586,675</u>
Cash and Cash Equivalents End of Year	<u><u>\$645,445</u></u>
See accountant's compilation report	
Reconciliation of Operating Loss to	
<u>Net Cash Used for Operating Activities:</u>	
Operating Loss	(\$78,543)
Adjustments to Reconcile Operating Loss to	
<u>Net Cash Used for Operating Activities:</u>	
Changes in Assets and Liabilities:	
Decrease in Prepaid Items	131
Decrease in Due to Primary Government	(5,278)
Decrease in Accounts Payable	(23)
Increase in Intergovernmental Payable	<u>11,335</u>
Net Cash Used for Operating Activities	<u><u>(\$72,378)</u></u>
See accompanying notes to the basic financial statements	

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**Zanesville Community High School**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 1 – Description of the School**

The Zanesville Community High School is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Zanesville Community High School is an approved tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Zanesville Community High School's tax exempt status. The Zanesville Community High School's mission is to help at-risk students meet Ohio's graduation requirements. The Zanesville Community High School focuses on ensuring that basic survival needs are met so that students can achieve success in school. The Zanesville Community High School serves high school age students who have dropped out or are at risk of dropping out of school. A particular emphasis is placed on assisting parents and/or pregnant students obtain a high school diploma.

The Zanesville Community High School was created on April 16, 2007, by entering a five year contract with the Zanesville City School District (the Sponsor). The Zanesville Community High School entered into a new five year contract with the Sponsor on April 16, 2012. The Sponsor is responsible for evaluating the performance of the Zanesville Community High School and has the authority to deny renewal of the contract at its expiration. The Sponsor is also the fiscal agent of Zanesville Community High School with the Treasurer of the Sponsor completing the role of Treasurer for Zanesville Community High School.

The Zanesville Community High School operates under the direction of a six-member Governing Authority, made up of five voting community members. Members shall be nominated by the Governing Authority and submitted to the Sponsor's non-voting six-member Board of Directors for final approval. All governing authority members live and/or work in the Zanesville-Muskingum County community as well as to represent the interest of the Muskingum County community. The Governing Authority approves Zanesville Community High School's staff of six classified employees and ten certificated full time teaching personnel who provide services to 103 students. Zanesville Community High School is a component unit of the Sponsor. The sponsor is able to impose its will on Zanesville Community High School and, due to their relationship with the Sponsor, it would be misleading to exclude them. The Sponsor can suspend the Zanesville Community High School's operations for any of the following reasons: 1) The Zanesville Community High School's failure to meet student performance requirements stated in its contract with the Sponsor, 2) The Zanesville Community High School's failure to meet generally accepted standards of fiscal management, 3) The Zanesville Community High School's violation of any provisions of the contract with the Sponsor or applicable state or federal law, or 4) Other good cause. The Governing Authority is responsible for carrying out the provisions of the contract which include, but are not limited to, helping create, approve, and monitor the annual budget, develop policies to guide operations, secure funding, and maintain a commitment to vision, mission, and belief statements of the Zanesville Community High School and the students it serves. The Zanesville Community High School uses the facilities of the Sponsor.

**Note 2 – Summary of Significant Accounting Policies**

The financial statements of the Zanesville Community High School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Zanesville Community High School's accounting policies are described below.

**Zanesville Community High School**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**A. Basis of Presentation**

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

The Zanesville Community High School uses a single enterprise fund to present its financial records for the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods or services.

**B. Measurement Focus**

The enterprise fund is accounted for using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of the Zanesville Community High School 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 Zanesville Community High School finances meet its cash flow needs.

**C. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Zanesville Community High School's financial statements are prepared using the accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Revenue resulting from nonexchange transactions, in which the Zanesville Community High School 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 Zanesville Community High School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Zanesville Community High School on a reimbursement basis. Expenses are recognized at the time they are incurred.

**D. Budgetary Process**

Unlike other public schools located in the State of Ohio, community schools are not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided by Zanesville Community High School's contract with its Sponsor. The contract between Zanesville Community High School and its Sponsor prescribes an annual budget requirement as part of preparing a five year forecast, which is updated on an annual basis.

**E. Cash and Cash Equivalents**

Cash received by Zanesville Community High School is reflected as "Cash and Cash Equivalents" on the statement of net position. Investments with original maturities of three months or less at the time they are purchased are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments. During fiscal year 2014, the Zanesville Community High School had no investments.



**Zanesville Community High School**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**F. Net Position**

Net position represents the difference between assets and liabilities. Net position are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Zanesville Community High School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Zanesville Community High School applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**G. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of Zanesville Community High School.

Operating expenses are necessary costs incurred to provide the service that is the primary activity of Zanesville Community High School. All revenues and expenses not meeting this definition are reported as non-operating.

**H. Estimates**

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

**Note 3 – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, Zanesville Community High School's deposits may not be returned. Zanesville Community High School does not have a deposit policy for custodial credit risk. At June 30, 2014, the bank balance of Zanesville Community High School's deposits was \$649,249. Only \$250,000 of the bank balance was covered by federal depository insurance. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", \$399,249 was uninsured and uncollateralized. There are no significant statutory restrictions regarding the deposit and investment of funds by the nonprofit corporation.

**Note 4 – Receivables**

Receivables at June 30, 2014, consisted of intergovernmental grants. All receivables are considered collectible in full, due to the stable condition of State programs and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

**Zanesville Community High School**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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A summary of principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Race to the Top Grant	\$14,364
Title I	13,125
Title II-A	1,210
School Lunch Reimbursement	51
Title VI-B	<u>4,504</u>
Total	<u><u>\$33,254</u></u>

**Note 5 – Risk Management**

Zanesville Community High School is exposed to various risks of loss related to torts; errors and omissions; and natural disasters. During the fiscal year ended June 30, 2014, Zanesville Community High School had liability insurance through the Zanesville City School District's policy.

**Note 6 – Purchased Services**

For the period July 1, 2013 through June 30, 2014, purchased service expenses were for the following services:

<u>Type</u>	<u>Amount</u>
Professional and Technical Services	\$886,213
Audit Services	<u>4,235</u>
Total	<u><u>\$890,448</u></u>

**Note 7 – Related Party Transactions**

Zanesville City School District, the Sponsor, approves each of Zanesville Community High School's six board members from the general public. Zanesville Community High School is presented as a component unit of the Sponsor. The Zanesville Community High School uses the facilities of the Sponsor. For fiscal year 2014, \$936,903 was provided by the Sponsor for administrative, fiscal, and student services provided to Zanesville Community High School. Zanesville Community High School paid all but \$123,517 of this amount as of June 30, 2014. This amount is reflected as a Due to Primary Government in the financial statements.

**Zanesville Community High School**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 8 – Contingencies**

**A. Grants**

The Zanesville Community High School received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions, specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Zanesville Community High School. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Zanesville Community High School at June 30, 2014.

**B. Ohio Department of Education Enrollment Review**

The Ohio Department of Education (ODE) conducts reviews of enrollment data and full time equivalency (FTE) calculations made by the Zanesville Community High School. These reviews are conducted to ensure the Zanesville Community High School is reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The ODE funding review of fiscal year 2014 resulted in a payment due to ODE in the amount of \$13,751, which was recorded as an intergovernmental payable in the financial statements.

**C. Ohio Department of Education - Critical Data Errors**

The Ohio Department of Education (ODE) has identified several community schools and/or STEM schools that made critical data errors between the June payment and the Final #1 payment. As a result, ODE will be running a Final #2 foundation report for community schools and STEM schools for fiscal year 2014. As of the date of this report, a final list of schools impacted and amounts are not yet available, but ODE believes this will result in receivables to the schools affected.

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# Dave Yost • Auditor of State

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

Zanesville Community High School  
Muskingum County  
160 North Fourth Street  
Zanesville, Ohio 43701

To the Governing Authority:

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 Zanesville Community High School, Muskingum County, Ohio, a component unit of Zanesville City School District, Muskingum County, Ohio, as of and for the year ended June 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated March 16, 2014.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Zanesville Community High School's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Zanesville Community High School'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 Zanesville Community High School's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

***Purpose of this Report***

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



**Dave Yost**  
Auditor of State

Columbus, Ohio

March 16, 2015



# Dave Yost • Auditor of State

**ZANESVILLE COMMUNITY HIGH SCHOOL**

**MUSKINGUM COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 31, 2015**