



Dave Yost • Auditor of State

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Statement of Net Assets	9
Statement of Revenues, Expenses, and Changes in In Net Assets.....	10
Statement of Cash Flows.....	11
Notes to the Basic Financial Statements	13
Schedule of Federal Awards Receipts and Expenditures.....	23
Notes to the Federal Awards Expenditures Schedule	24
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing</i> Standards	25
Independent Accountants' Report on Compliance with Requirements Applicable To Each Major Federal Program and On Internal Control Over Compliance in Accordance With OMB Circular A-133.....	27
Schedule of Findings.....	29
Schedule of Prior Year Audit Findings	31
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	33

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INDEPENDENT ACCOUNTANTS' REPORT

Value Learning and Teaching Academy
Hamilton County
1100 Sycamore Street
Cincinnati, Ohio 45202

To the Board of Trustees:

We have audited the accompanying basic financial statements of Value Learning and Teaching Academy, Hamilton County, Ohio (the Academy), as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Value Learning and Teaching Academy, as of June 30, 2010, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2011, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Dave Yost
Auditor of State

March 10, 2011

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

The discussion and analysis of V L T Academy, Hamilton County, Ohio (the Academy), and financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2010. 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.

The Management discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Government issued June, 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- Net Assets totaled \$28,659 at the close of the 2010 Fiscal Year's operations. The principal components are Invested Capital Assets and negative Unrestricted Surplus due to the excess of Current Liabilities over Current Assets.
- Total assets \$569,851 consists of Depreciated Net Assets, Cash in Bank, Security Deposit, and Intergovernmental Receivables.
- Total Liabilities primarily consist of Accrued Wages and Benefits and Trade Payables.

Using this Financial 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 Assets, Statement of Revenues, Expenses, and Changes in Net Assets, and a Statement of Cash Flows.

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)
(CONTINUED)**

Statement of Net Assets

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets, answers the question, “How did we do financially during 2010?” These statements include all assets, liabilities, revenues and expenses, both financial and capital, and short-term and long-term using the accrual basis of accounting and economic resources 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 assets for fiscal year 2010.

Table 1

Net Assets		
	2010	2009
Assets:		
Current Assets	\$ 184,412	49,642
Non Current Assets	385,439	437,447
	-----	-----
	569,851	487,089
	-----	-----
Liabilities:		
Current Liabilities	541,192	515,856
Non-Current Liabilities	0	217,215
	-----	-----
Total Liabilities	541,192	733,071
Net Assets		
Invested in Capital Assets	325,381	377,389
Unrestricted	(296,722)	(623,371)
	-----	-----
Total Net Assets	\$ 28,659	(245,982)
	-----	-----
	-----	-----

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)
(CONTINUED)**

Table 2 shows the changes in net assets for fiscal year 2010, as well as a listing of revenues and expenses.

Table 2

Net Assets

2010-2009		
	<u>2010</u>	<u>2009</u>
Operating Revenues:		
Foundations Payments	\$4,940,313	\$3,935,426
Other	21,869	86,298
Non-Operating Revenues:		
Federal Grants and State Grants	2,066,576	1,046,255
Total Revenues	7,028,758	5,067,979
Operating Expenses:		
Salaries	2,950,012	2,255,692
Fringe Benefits	757,184	703,979
Purchased Services	2,469,223	2,140,733
Materials and Supplies	191,144	77,441
Depreciation	301,468	251,427
Other Expenses	85,086	157,198
Non-Operating Expenses:		
Total Expense	6,754,117	5,586,470
Change in Net Assets	\$ 274,641	\$ (518,491)

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)
(CONTINUED)**

Net assets change was a positive \$274,641 for F Y 2010. Total Foundation Payments were generated by an average student population of 686. Non-Operating revenues consist of Federal and State grants, which includes \$323,817 of Nutrition Grant. Other revenue consisted of donations in the, vending machines, and misc. receipts. Ninety-two (92) percent of Operating Expense was composed of two items- Salaries and Benefits 55%, and Purchased Services (37%). The main components of Purchased Services are Lease Payments of \$1,295,185, and Repair, Utilities, Insurance and Janitorial expenses, Caterer Costs, and Security/Communication cost. Materials and Supplies were principally Student related costs. Depreciation (\$301,468) is cost of purchased assets allocated over a five year period. Principal components of Other Expenses are Sponsor Fees, Audit Fees and school activities.

Foundation payments increased from the previous year due to an increase in enrollment and federal stimulus funds. Federal and State grants increase stemmed from increase in students and federal stimulus monies.

An examination of 2010 expenses vs. 2009 reveals that the total Salaries and Fringe Benefit increase of \$747,525 over 2009 explained by an average increase in pay of 2% and able to hire more employee's due to the federal stabilization funds. We were also able to offer staff members jobs in 2010 that were laid off in 2009 due to low enrollment at that time. Staffing average went up in 2010 from 52 to 69 due to afore mentioned reasons.

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)
(CONTINUED)**

Purchased Services increase of \$328,490 was generated by starting to add additional buildings for 2010-2011 school year.

Materials & Supplies increase of 113,703 was composed chiefly of instructional equipment and supply. Other Expense decrease (\$72,112) was chiefly due to increase of some student extra-curricular activities and auditing fees for two fiscal years being audited at the same time.

Capital Assets

At the end of fiscal year 2010 the Academy had \$249,892 invested in Capital Assets. . See Table 3 for details:

**Capital Assets at June 30, 2010
(Net of depreciation)**

	2010	2009	Variance
Leasehold Improvements	98,824	185,142	(86,318)
Furniture, Fixtures, and Equipment	176,975	192,247	(15,272)
Vehicle purchased	49,582	-	49,582
Totals	<u>\$ 325,381</u>	<u>\$ 377,389</u>	<u>(52,008)</u>

For more information on capital assets see Note 7 to the basic financial statements.

Current Financial Issues

V L T Academy, Hamilton County, Ohio (the Academy), was formed in 2005. During the 2009-2010 school year there were approximately 686 students enrolled in the Academy. The Academy receives its finances mostly from state aid and federal and state grants.

Contacting the Academy's Financial Management

This financial report is designed to provide our citizens with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have questions about this report or need additional information contact Judy McConnell, CFO/Assistant to the Superintendent at V L T Academy, 1100 Sycamore, Suite 300, Cincinnati, Ohio, 45202.

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VALUE LEARNING AND TEACHING ACADEMY

Statement of Net Assets

June 30, 2010

Assets

Current Assets:

Equity in Pooled Cash and Cash Equivalents	\$122,081
Intergovernmental Receivables	62,331
Total Current Assets	<u>184,412</u>

Non-Current Assets:

Security Deposit	60,058
Depreciable Capital Assets, Net	325,381
Total Non-Current Assets	<u>385,439</u>

Total Assets \$569,851

Liabilities

Current Liabilities:

Accounts Payable	\$145,540
Accrued Wages and Benefits	287,865
Intergovernmental Payable	57,408
Compensated Absences Payable	50,379
Total Current Liabilities	<u>541,192</u>

Total Liabilities \$541,192

Net Assets

Invested in Capital Assets:	325,381
Unrestricted	<u>(296,722)</u>

Total Net Assets \$28,659

See accompanying notes to the basic financial statements

VALUE LEARNING AND TEACHING ACADEMY

Statement of Revenues, Expenses and
Changes in Net Assets
For the Fiscal Year Ended June 30, 2010

Operating Revenues	
Foundation Payments	\$4,940,313
Other Revenues	21,869
	<hr/>
<i>Total Operating Revenues</i>	<u>4,962,182</u>
Operating Expenses	
Salaries	2,950,013
Fringe Benefits	757,184
Purchased Services	2,469,223
Materials and Supplies	191,144
Depreciation	301,468
Other	85,086
	<hr/>
<i>Total Operating Expenses</i>	<u>6,754,117</u>
<i>Operating Income</i>	<u>(1,791,935)</u>
Non-Operating Revenues and Expenses	
Other Federal and State Grants	1,734,685
Federal and State Meal Subsidies	331,891
	<hr/>
<i>Total Non-Operating Revenues and Expenses</i>	<u>2,066,576</u>
<i>Change in Net Assets</i>	274,641
<i>Net Assets Beginning of Year</i>	<u>(245,982)</u>
<i>Net Assets End of Year</i>	<u><u>\$28,659</u></u>

See accompanying notes to the basic financial statements

VALUE LEARNING AND TEACHING ACADEMY

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2010

	<u>2010</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash received from foundation payment	\$4,940,313
Other Cash Receipts	21,869
Cash Payments to Employees for Services	(2,912,560)
Cash Payments for Employee Benefits	(757,696)
Cash Payments for Goods and Services	(2,681,729)
Other Cash Payments	<u>(85,086)</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(1,474,889)</u>
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	<u>2,066,576</u>
<i>Net Cash Provided by (Used in) Noncapital Financing Activities</i>	<u>2,066,576</u>
Cash Flows from Capital and Related Financing Activities	
Payments for Capital Acquisitions	(249,892)
Principal and Interest Retirement	(217,215)
Other Interest and Fiscal Charges	<u>(32,606)</u>
<i>Net Cash Provided by (Used in) Capital Financing Activities</i>	<u>(499,713)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	91,974
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>30,107</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$122,081</u>
	(Continued)

VALUE LEARNING AND TEACHING ACADEMY

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2010

(Continued)

	<u>2010</u>
Reconciliation of Operating Gain (Loss) to Net Cash Provided by (Used in) Operating Activities	
Operating Gain (Loss)	(\$1,791,935)
Adjustments:	
Depreciation	301,468
Increase (Decrease) in Liabilities:	
Accounts Payable	(21,362)
Accrued Wages & Benefits	37,452
Intergovernmental Payable	(512)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u><u>(\$1,474,889)</u></u>

See accompanying notes to the basic financial statements

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

V L T Academy, Hamilton County, Ohio (the Academy), is a nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to address the needs of students in grades K through Twelve. The Academy, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The Academy may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy. V L T Academy is organized as a Non-Profit entity under Section 501c (3) of the Internal Revenue Code. The Academy was approved for operation under contract with the Educational Resources Corporation of Ohio (the Sponsor) for a period of five years commencing July 1, 2005. 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 terminate the contract prior to its expiration.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the V L T 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 Academy also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The 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 Assets, a Statement of Revenue, Expenses and Changes in Net Assets, and a Statement of Cash Flows.

The Academy uses enterprise accounting to maintain its financial records. Enterprise fund reporting focuses on the determination of the change in net assets, financial position and cash flows.

B. Measurement Focus

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statement of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its enterprise activities.

C. Basis of Accounting

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.

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.

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Expenses are recognized at the time they are incurred.

D. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code, Chapter 5705, unless specifically provided in the contract between the Academy and its sponsor. The contract between the Academy and its Sponsor does not prescribe a budgetary process for the Academy; therefore no budgetary information is presented in the financial statements.

E. Cash Deposits

All monies received by the Academy are accounted for by the Academy's Chief Financial Officer. For cash management, all cash received by the chief financial officer is pooled in a non-interest bearing central bank account. Total cash for the Academy is presented as "equity in pooled cash" on the accompanying statement of net assets.

For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Academy are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

The Academy had no investments.

F. Capital Assets and Depreciation

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

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

Leasehold Improvements Life of Lease
Furniture and Equipment 5 years
Vehicles 5-8 years

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Net Assets

Net assets represent the difference between assets and liabilities. Assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

H. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities. For the Academy, these revenues are primarily foundation payments. Operating expenses are the necessary costs incurred to provide the goods or services that occur in carrying out the primary activity of the Academy. Revenues and expenses not meeting this definition are reported as non-operating.

I. Estimates

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

3. DEPOSITS

At June 30, 2010, the Academy had a carrying value of \$122,370. The bank balance was 152,446; all of the Academy's deposits were covered by the Federal Depository Insurance Corporation (FDIC).

Custodial credit risk is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it. The Academy does not have a policy for deposit balances not covered by depository insurance.

4. RECEIVABLES

Receivables of \$62,331 at June 30, 2010, were intergovernmental items outlined below:

\$ 47,621	Due from Federal Grant Programs
<u>14,710</u>	June School Nutrition Payments
<u>\$ 62,331</u>	

All receivables are considered collectible in full and will be received within one year.

5. SECURITY DEPOSIT

The lease stipulates that advance rent payments be made at the beginning of the lease that will be credited to the Academy's rental payment during the last year of the lease term. Accordingly, \$50,029 was remitted for the 1100 Sycamore Street lease during the 2006 Fiscal Year. In August of 2006, the second and final advance rent installment of \$10,029 was remitted to the Landlord.

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010:

	Beginning Balance <u>7/1/2009</u>	Additions	Retirements	Ending Balance <u>6/30/2010</u>
<u>Depreciable Capital Assets</u>				
Leasehold Improvements	\$ 670,959	\$ 87,989	\$ -	\$ 758,948
Furniture and Equipment	495,584	104,806	-	600,390
Vehicles	-	56,665	-	56,665
	<u>1,166,543</u>	<u>249,460</u>	-	<u>1,416,003</u>
<u>Accumulated Depreciation</u>				
Leasehold Improvements	485,817	174,307	-	660,124
Furniture and Equipment	303,337	120,078	-	423,415
Vehicles	-	7,083	-	7,083
	<u>789,154</u>	<u>301,468</u>	-	<u>1,090,622</u>
<u>Net Capital Assets</u>				
Leasehold Improvements	185,142	(86,318)	-	98,824
Furniture and Equipment	192,247	(15,272)	-	176,975
Vehicles	-	49,582	-	49,582
	<u>377,389</u>	<u>(52,008)</u>	<u>\$ -</u>	<u>\$ 325,381</u>

7. RISK MANAGEMENT

A. Property and 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 fiscal year 2010, the Academy contracted with Wells Fargo Insurance Agency for property and general liability insurance. General Liability, provided by Wells Fargo Insurance Company contains a \$1,000,000 single occurrence limit and a \$1,000,000 aggregate and \$10,000,000 Umbrella. There is a \$2,500 deductible.

B. Workers Compensation

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

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

8. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The Academy contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 10% of their annual covered salary and the Academy is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocated the current employer contribution rate amount the four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For the fiscal year ended June 30, 2010, the allocation to pension and death benefits is 12.78%. The remaining 1.22% of the 14% employer contribution rate was allocated to the Health Care and Medicare B Funds. The Academy's required contributions to SERS for the fiscal years ended June 30, 2010, 2009, and 2008 were approximately \$238,853, \$208,772, and \$98,603, respectively. 100% of the required contributions have been made for all three fiscal years.

B. State Teachers Retirement System of Ohio

The School District contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a state-wide, cost-sharing multiple-employer public employee retirement system for licensed teachers and other faculty members employed by the School District. STRS Ohio provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS Ohio issued a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771.

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a bi-weekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

8. DEFINED BENEFIT PENSION PLANS (Continued)

Plan members are required to contribute 10% of their annual covered salary and the Academy is required to contribute 14%. Contribution rates are established by STRS Ohio, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The Academy's required contributions to STRS Ohio for the years ended June 30, 2010, 2009, and 2008 were approximately \$388,313, \$329,103, and \$126,747, respectively. 100% of the required contributions have been made for all three fiscal years.

9. POST EMPLOYMENT BENEFITS

The Academy provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

STRS Ohio pays health care benefits from the Health Care Reserve Fund. At June 30, 2009, (the latest information available) the balance in the Fund was \$2.7 billion. For the year ended June 30, 2010, net health care costs paid by STRS Ohio were \$298,110,000 and STRS Ohio had 129,659 eligible benefit recipients.

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2010 and June 30, 2009, the STRS Ohio Board allocated employer contributions equal to 1% percent of covered payroll to the Health Care Stabilization Fund. The Academy's contributions to STRS Ohio allocated to post-employment health care for the years ended June 30, 2010, 2009, and 2008 were approximately \$29,870, \$25,316, and \$9,750, respectively, which equaled the required contributions.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 17.5 percent of the premium.

Medicare Part B Plan - The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69.

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

9. POST EMPLOYMENT BENEFITS (Continued)

Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2010 was \$96.40 for most participants, but could be as high as \$353.60 per month depending on their income. SERS' reimbursement to retirees was \$45.50. The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2010, the actuarially required allocation was 0.76%. The Academy contributions for the years ended June 30, 2010, 2009, and 2008 were approximately \$19,970, \$17,455, and \$8,244, respectively, which equaled the required contributions.

10. OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from policies and procedures approved by the VLT Academy Board of Education. All employees who work more than 25 hours a week accumulate up to three personal days and five sick days each year. Administrative personnel receive vacation leave during summer hours.

B. Insurance Benefits

The Academy has purchased insurance from the McGohan Brabender Insurance Agency to provide employee medical/surgical and dental benefits. The Academy pays 80% of the monthly premium for employees only.

11. OPERATING LEASE

The Academy is currently committed under five non-cancelable leases with Sun Building Partners Ltd, specifically for the use of their school buildings. The leases are floors Basement-7 at 1100 Sycamore Street (Lease 1), and 316 Reading Road Cincinnati, Ohio (Lease 2) and 308 Reading Road Cincinnati, OH (Lease 3).

The Academy recognized an expense of \$1,295,185 during the current school period ending June 30, 2010. The landlord grants one option of five years to extend this lease beyond the initial lease period at a lease rate to be negotiated with the landlord and consummated at least sixty days prior to the end of any lease period. The annual lease amount is adjusted by the average increase in the U. S. Consumer Price Index for the twelve months from June 1 to May 31 for each year of the lease.

The minimum lease payments under the non-cancelable leases are as follows:

Year ending June 30,	Lease 1	Lease 2	Lease 3	Lease 4	Lease 5	Total
	1100 Syc.	316 Rd	308 Rd			
2010	\$ 396,000	\$ 126,575	\$ 164,265	\$ 30,000	\$ 237,699	\$ 954,539
2011	<u>396,000</u>	<u>126,575</u>	<u>164,265</u>	<u>30,000</u>	<u>237,699</u>	<u>954,539</u>
Total	<u>\$ 792,000</u>	<u>\$ 253,150</u>	<u>\$ 328,530</u>	<u>\$ 60,000</u>	<u>\$ 475,398</u>	<u>\$ 1,909,078</u>

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

12. DEBT

The Academy acquired a short-term note from SUN Building in March 2009 in the amount of \$219,215. This financing was acquired for the purpose of building renovations. In June 2009, the Superintendent loaned the Academy \$8,000 to assist with cash flow. The loans were repaid in 2010. A schedule of the Academy's debt obligations is as follows:

Description	Issue Date	Maturity Date	7/1/09 Balance	New Debt Issued	Principal Retired	Interest Paid	6/30/10 Balance
Short term note (SUN Building)	3/1/2009	7/1/2010	\$ 209,215.00	0	209,215	0	\$ -
Short term note (Superintendent Lee)	6/19/2009	8/16/2009	\$ 8,000.00	0	8,000	0	\$ -

13. CONTINGENCIES

A. Grants

The Academy received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires Compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2010.

B. State Funding

The Ohio Department of Education reviews enrollment data and full time equivalency (FTE) calculations made by the schools. These reviews ensure the schools are reporting accurate student enrollment data of the State, upon which state foundation funding is calculated. For fiscal year 2010 the review has not been completed. The Academy does not believe that any variance between the amount received to date and the final payment made to the Academy will have any effect to the Academy's financial standing.

C. Litigation

None.

14. RELATED PARTY TRANSACTIONS

The Academy paid \$229,580 in custodial and maintenance services to CEED during fiscal year 2010. The owner of CEED is married to the Superintendent of VLT Academy. Clyde Lee, husband of the Superintendent, is an employee of VLT Academy at a salary of \$60,000. His job title is Project Manager.

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)**

15. PURCHASED SERVICES

For the year ended June 30, 2010, purchased service expenses were comprised of the following:

School Site Lease	\$1,295,185
Property Insurance	14,058
Utilities	178,106
Staff Development	35,469
Legal Fees	27,290
Accounting Fees	27,732
Student Testing	93,792
Conference/Travel	26,153
Payroll Processing	8,558
Security Service	13,062
Internet Service	39,885
Copier Maintenance	11,442
Textbooks	6,429
Student Transportation	8,590
Communications	46,400
Postage	4,316
Family/Community Events	13,840
Food Service Contract	323,817
Janitorial Service	229,580
Repair & Maintenance	31,507
State Software (EMIS)	12,762
Advertising	6,112
All Other	15,138
Total	<u>\$2,469,223</u>

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**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES.
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Receipts</u>	<u>Federal Expenditures</u>
Nutrition Cluster:			
National school lunch	10.555	\$ 305,193	\$ 334,628
National school breakfast	10.553	\$ 19,650	\$ 53,231
total nutrition cluster		<u>\$ 324,843</u>	<u>\$ 387,859</u>
 <i>Passed Through Ohio Department of Education:</i>			
Special Education:			
Early Childhood	84.007	957	695
Early Childhood, ARRA	84.392	4,975	3,767
IDEA Part B	84.027	108,231	102,808
IDEA Part B, ARRA	84.391	<u>111,058</u>	<u>113,048</u>
Total Special Ed Cluster		225,221	220,318
 Education Stabilization Fund	 84.394	 315,815	 318,530
Title I	84.010	801,964	670,450
Title I, ARRA	84.389	615,884	507,117
Safe and Drug Free Schools	84.186	6,130	6,130
Title II D	84.318	6,642	6,732
Improving Teacher Quality - Title II-A	84.367	<u>28,403</u>	<u>15,891</u>
 Total Passed Through Ohio Department of Education		 <u>\$ 2,000,059</u>	 <u>\$ 1,745,168</u>
 Total U.S. Department of Education		 <u><u>\$ 2,324,902</u></u>	 <u><u>\$ 2,133,027</u></u>

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

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

The Academy commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the Academy assumes it expends federal monies first.



Dave Yost • Auditor of State

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

Value Learning and Teaching Academy
Hamilton County
1100 Sycamore Street
Cincinnati, Ohio 45202

To the Board of Directors:

We have audited the financial statements of the business-type activities, of Value Learning and Teaching Academy, Hamilton County, Ohio (the Academy), as of and for the year ended June 30, 2010, and have issued our report thereon dated March 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

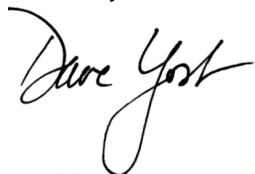
Compliance and Other Matters

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

Value Learning and Teaching Academy
Hamilton County
Independent Accountants' Report on Internal Controls Over
Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards*
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the Academy's management in a separate letter dated March 10, 2011.

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

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

Dave Yost
Auditor of State

March 10, 2011



Dave Yost • Auditor of State

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

Value Learning and Teaching Academy
Hamilton County
1100 Sycamore Street
Cincinnati, Ohio 45202

To the Board of Directors:

Compliance

We have audited the compliance of Value Learning and Teaching Academy, Hamilton County, Ohio (the Academy), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Value Learning and Teaching Academy's major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the Academy's major federal programs. The Academy's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Academy's compliance based on our audit.

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

In our opinion, Value Learning and Teaching Academy complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

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

We noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the Academy's management in a separate letter dated March 10, 2011.

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



Dave Yost
Auditor of State

March 10, 2011

**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA# 84.010 and 84.389 Title I Cluster CFDA# 84.394 ARRA State Fiscal Stabilization Fund
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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**VALUE LEARNING AND TEACHING ACADEMY
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2009-001	Internal Controls relating to posting Debt and Capital Assets to the accounting records.	Yes	

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Dave Yost • Auditor of State

Value Learning and Teaching Academy
Hamilton County
1100 Sycamore Street
Cincinnati, Ohio 45202

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

1. We noted the Board adopted an anti-harassment policy at its meeting in June 2007.
2. We read the Student Code of Conduct policy which includes a statement prohibiting Bullying/Intimidation, but it did not include the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (2) A procedure for reporting prohibited incidents;
 - (3) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (4) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the “Family Educational Rights and Privacy Act of 1974,” 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - (5) A procedure for documenting any prohibited incident that is reported;
 - (6) A procedure for responding to and investigating any reported incident;
 - (7) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;

- (8) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (9) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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 Directors, management and the Academy's sponsor, Educational Resource Consultants of Ohio, and is not intended to be and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

March 10, 2011



Dave Yost • Auditor of State

VALUE LEARNING AND TEACHING ACADEMY

HAMILTON 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, 2011**