



Dave Yost • Auditor of State



**CENTER FOR STUDENT ACHIEVEMENT  
JACKSON COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Management's Discussion and Analysis.....	5
Statement of Net Position – Cash Basis .....	9
Statement of Receipts, Disbursements, and Changes in Net Position – Cash Basis.....	10
Statement of Cash Flows – Cash Basis.....	11
Notes to the Basic Financial Statements .....	13
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards .....	19
Schedule of Findings.....	21
Schedule of Prior Audit Findings.....	22

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Center for Student Achievement  
Jackson County  
450 Vaughn Street  
Jackson, Ohio 45640

To the Board of Directors:

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

We have audited the accompanying financial statements of the business-type activities of the Center for Student Achievement, Jackson County, Ohio (the Center), a component unit of the Jackson City School District, Jackson County, Ohio, as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Center'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 the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for 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 Center'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 Center'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 the overall financial statement presentation.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash financial position of the business-type activities of the Center for Student Achievement, Jackson County, Ohio, as of June 30, 2014, and the changes in cash financial position and the cash flows for the year then ended in accordance with the accounting basis described in Note 2.

### ***Accounting Basis***

Ohio Administrative Code § 117-2-03(B) requires the Center to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### *Supplemental and Other Information*

We audited to opine on the Center's financial statements that collectively comprise its basic financial statements.

*Management's Discussion & Analysis* includes tables of net position and changes in net position. This information provides additional analysis and is not a required part of the basic financial statements. These tables are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2014, on our consideration of the Center'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 Center's internal control over financial reporting and compliance.

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

Columbus, Ohio

December 9, 2014

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**Center for Student Achievement**  
**Jackson County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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The discussion and analysis of the Center for Student Achievement's (the Center) financial performance provides an overall review of the Center's financial activity for the period ended June 30, 2014. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Center's financial performance.

## **FINANCIAL HIGHLIGHTS**

### **Key financial highlights for the fiscal year 2014 are as follows:**

- Net position increased \$49,501 from fiscal year 2013.
- Operating receipts accounted for \$321,381 in receipts or 89 percent of all receipts. Non-operating receipts, consisting of interest income and intergovernmental revenue accounted for \$38,319 or 11 percent of total revenues of \$359,700.

## **USING THIS ANNUAL FINANCIAL REPORT**

This discussion and analysis is intended to serve as an introduction to the Center's Cash Financial Statements. The Center's financial statements are composed of two components: 1) entity-wide financial statements, and 2) notes to the financial statements.

The *Statement of Net Position - Cash Basis* presents information on all of the Center's cash assets, presented as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the cash position of the Center is improving or deteriorating.

The *Statement of Receipts, Disbursements, and Changes in Net Position - Cash Basis* presents information showing how the Center's net position changed during the most recent fiscal year. All changes in net position are reported as soon as cash is received or disbursed not when the underlying event giving rise to the change occurs.

The *Statement of Cash Flows - Cash Basis* provides information about how the Center finances and meets the cash flow needs of its proprietary activities.

The Center uses enterprise presentation for all of its activities.

As noted earlier, net position – cash basis may serve over time as a useful indicator of a government's financial position. The Center has chosen to report on an *Other Comprehensive Basis of Accounting* in a format similar to that required by Governmental Accounting Standard No. 34.

This statement requires a comparative analysis of government-wide data in the Management Discussion and Analysis (MD&A) section.

**Center for Student Achievement**  
**Jackson County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

Table 1 provides a summary of the Center's net position – cash basis for 2014 compared to 2013:

**Table 1**  
**Net Position - Cash Basis**

	Governmental Activities	
	2014	2013
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$215,948	\$166,447
<b>Net Position</b>		
Restricted for Other Purposes	\$0	\$4,128
Unrestricted	215,948	162,319
<i>Total Net Position</i>	\$215,948	\$166,447

Net position increased \$49,501, which is due to the sponsor not processing the fiscal services invoice prior to closing fiscal year 2014.

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

**Table 2**  
**Changes in Net Position - Cash Basis**

	2014	2013	Increase (Decrease)
<b>Operating Receipts</b>			
Foundation	\$321,271	\$396,918	(\$75,647)
Donations	100	124	(24)
Other	10	184	(174)
<i>Total Operating Receipts</i>	321,381	397,226	(75,845)
<b>Operating Disbursements</b>			
	310,199	344,720	(34,521)
<i>Operating Income</i>	11,182	52,506	(41,324)
<b>Non-Operating Receipts</b>			
	38,319	42,444	(4,125)
<i>Change in Net Position</i>	49,501	94,950	(45,449)
Net Position Beginning of Year	166,447	71,497	94,950
Net Position End of Year	\$215,948	\$166,447	\$49,501

Net position increased by \$49,501 from fiscal year 2013 to fiscal year 2014. A decrease in operating receipts of \$75,845 was offset by a decrease of \$34,521 in operating disbursements. The decrease in operating receipts is due to a smaller enrollment combined with decreases in State funding. The disbursements decreased due to the sponsor not processing the fiscal services invoice prior to closing fiscal year 2014.

**Center for Student Achievement**  
**Jackson County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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**DEBT**

The Center did not incur any debt during the fiscal year ended June 30, 2014.

**CURRENT ISSUES**

The cutting edge nature of this type of instructional delivery makes for constant change during the early years of operation. Upgrading and maintaining equipment, technical support, instructional support materials, and fluctuating enrollment are just some of the challenges facing the Center which must be overcome for the Center to continue to offer the educational experience our students require.

**CONTACTING THE CENTER'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Brenda Hill, Treasurer, at Jackson City School District, 450 Vaughn Street, Jackson, Ohio 45640.

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**Center for Student Achievement**  
**Jackson County, Ohio**  
*Statement of Net Position - Cash Basis*  
*June 30, 2014*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$215,948</u></u>
<b>Net Position</b>	
Unrestricted	<u>215,948</u>
<i>Total Net Position</i>	<u><u>\$215,948</u></u>

See accompanying notes to the basic financial statements

**Center for Student Achievement**  
**Jackson County, Ohio**  
*Statement of Receipts, Disbursements and*  
*Changes in Net Position - Cash Basis*  
*For the Fiscal Year Ended June 30, 2014*

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<b>Operating Receipts</b>	
Foundation	\$321,271
Donations	100
Other	10
	_____
<i>Total Operating Receipts</i>	<i>321,381</i>
	_____
<b>Operating Disbursements</b>	
Contractual Services	256,213
Materials and Supplies	37,907
Other	16,079
	_____
<i>Total Operating Disbursements</i>	<i>310,199</i>
	_____
<i>Operating Income</i>	<i>11,182</i>
	_____
<b>Non-Operating Receipts</b>	
Interest Income	90
Intergovernmental	38,229
	_____
<i>Total Non-Operating Receipts</i>	<i>38,319</i>
	_____
<i>Change in Net Position</i>	<i>49,501</i>
	_____
<i>Net Position Beginning of Year</i>	<i>166,447</i>
	_____
<i>Net Position End of Year</i>	<i>\$215,948</i>
	_____

See accompanying notes to the basic financial statements

**Center for Student Achievement**  
**Jackson County, Ohio**  
*Statement of Cash Flows - Cash Basis*  
*For the Fiscal Year Ended June 30, 2014*

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*Increase (Decrease) in Cash and Cash Equivalents*

**Cash Flows from Operating Activities:**

Cash Received from Foundation	\$321,271
Cash Received from Donations	100
Other Operating Receipts	10
Cash Payments to Suppliers for Goods and Services	(294,120)
Other Operating Disbursements	<u>(16,079)</u>

*Net Cash Provided by Operating Activities* 11,182

**Cash Flows from Noncapital Financing Activities:**

Intergovernmental 38,229

**Cash Flows from Investing Activities:**

Interest Income 90

*Net Increase in Cash and Cash Equivalents* 49,501

*Cash and Cash Equivalents Beginning of Year* 166,447

*Cash and Cash Equivalents End of Year* \$215,948

**Reconciliation of Operating Income to Net**

**Cash Provided by Operating Activities:**

*Operating Income* \$11,182

See accompanying notes to the basic financial statements

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**Center for Student Achievement**  
**Jackson County, Ohio**  
*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 Center for Student Achievement (the Center) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Center 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 Center's tax exempt status. The Center's mission is to serve K through 12 students who may be underperforming or are not optimally integrated in their present educational setting, or who seek a more challenging experience than is available in their present educational setting, and who for these or other reasons are interested in pursuing an alternative schooling option. The students will include, but will not be limited to, home schooled children, children with special physical and mental needs, students removed from the regular classroom for discipline concerns, students who need an alternative to the traditional classroom for various reasons, including religious reasons, transient students, and students with the Jackson City School District, the sponsor school district, that desire a specific course not currently offered but is available through long distance learning.

The Center was created on April 28, 2005, by entering a three year contract with the Jackson City School District (the Sponsor). A contract was entered into on June 24, 2008, which extended service through June 30, 2013. On May 7, 2013, a new contract was entered into, which extends service through June 30, 2018. The Sponsor is responsible for evaluating the performance of the Center and has the authority to deny renewal of the contract at its expiration. The Sponsor is also the fiscal agent of the Center with the Treasurer of the Sponsor fulfilling the role of Treasurer for the Center.

The Center operates under the direction of a five-member Board of Directors made up of elected or appointed public officials or public sector employees who have a professional interest in furthering the establishment and operation of the Center and one or more parents and community civic leaders. The Sponsor appoints a majority of the Board and is able to impose its will on the Center. The Sponsor can suspend the Center's operations for any of the following reasons: 1.) The Center's failure to meet student performance requirements stated in its contract with the Sponsor, 2.) The Center's failure to meet generally accepted standards of fiscal management, 3.) The Center's violation of any provisions of the contract with the Sponsor or applicable State or Federal law, or 4.) Other good cause. The Board of Directors are 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 Center and the children it serves.

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

The financial statements of the Center are presented on a cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Center's accounting policies.

***A. Basis of Presentation***

The Center's basic financial statements consist of a statement of net position; a statement of receipts, disbursements and changes in net position; and a statement of cash flows.

**Center for Student Achievement**  
**Jackson County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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The Center uses a single enterprise presentation for its financial records. Enterprise reporting focuses on the determination of operating income, changes in 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. Except for modifications having substantial support, receipts are recorded in the Center's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded in cash when cash is paid rather than when a liability is incurred. Any such modifications made by the Center are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related receipts (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related disbursements (such as accounts payable and expenses for good and services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

***C. 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 Section 5705, unless specifically provided by the Center's contract with the Sponsor. The contract between the Center and its Sponsor prescribes the Center follow all budgetary provisions set forth in Ohio Revised Code Section 5705.

***D. Cash and Cash Equivalents***

Cash received by the Center is reflected as "equity in pooled cash and cash equivalents" on the statement of net position. The Center had no investments during the fiscal year ended June 30, 2014.

***E. Capital Assets***

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the Center's financial statements.

***F. 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 enabling legislation adopted by the Center or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Center's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net position are available.

***G. Operating Receipts and Disbursements***

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

**Center for Student Achievement**  
**Jackson County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 3 – Deposits**

Monies held by the Center are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Center treasury. Active monies must be maintained either as cash in the Center treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Center can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

**Center for Student Achievement**  
**Jackson County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Deposits** Custodial credit risk for deposits is the risk that in the event of bank failure, the Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, none of the Center's bank balance of \$215,956 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Center to a successful claim by the FDIC.

The Center has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Center or a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Note 4 – Risk Management**

The Center 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 2014, the Center contracted with the Ohio Casualty Insurance for the following coverage:

Property	Deductible	Limits of Coverage
Business Property	\$1,000	\$53,853
General Liability:		
Each Occurrence	0	1,000,000
Aggregate Limit	0	2,000,000
Products - Completed Operations Aggregate Limit	0	2,000,000
Errors and Omissions:		
Each Occurrence	2,500	1,000,000
Aggregate Limit	2,500	1,000,000
Employers' Liability:		
Each Occurrence	0	1,000,000
Disease - Each Employee	0	1,000,000
Disease - Policy Limit	0	1,000,000
Aggregate Limit	0	2,000,000
Employee Benefits Liability:		
Each Occurrence	1,000	1,000,000
Aggregate Limit	1,000	3,000,000
Vehicles:		
Bodily Injury:		
Any Once Accident	0	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from fiscal year 2013.

**Center for Student Achievement**  
**Jackson County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 5 – Purchased Services**

For the period July 1, 2013, through June 30, 2014, the Center had expenses of \$256,213 for professional and technical services.

**Note 6 – Related Party Transactions**

The five members of the Center’s Board of Directors are appointed by the Superintendent of Jackson City School District, the Sponsor. The Center is reported as a component unit of the Sponsor.

**Note 7 – Contingencies**

The Center 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 the 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 Center. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Center at June 30, 2014.

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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

Center for Student Achievement  
Jackson County  
450 Vaughn Street  
Jackson, Ohio 45640

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the business-type activities of the Center for Student Achievement, Jackson County, Ohio (the Center), a component unit of the Jackson City School District, Jackson County, Ohio, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated December 9, 2014, wherein we noted the Center uses a special purpose framework other than generally accepted accounting principles.

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

As part of our financial statement audit, we considered the Center's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Center'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 Center'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 Center'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 an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2014-001.

***Entity's Response to Findings***

The Center's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Center's response and, accordingly, we express no opinion on it.

***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 Center's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

December 9, 2014

**CENTER FOR STUDENT ACHIEVEMENT  
JACKSON COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2014**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2014-001**

**Noncompliance**

Ohio Rev. Code § 117.38 provides, in part, that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Admin. Code § 117-2-03 further clarifies the requirements of Ohio Rev. Code § 117.38.

Ohio Admin. Code § 117-2-03(B) requires the Center to prepare its annual financial report in accordance with generally accepted accounting principles. The Center filed financial statements with the Auditor of State, but those statements followed a cash and investments accounting basis rather than generally accepted accounting principles. The accompanying financial statements and notes omit material assets, liabilities, fund equities, and disclosures. The Center is subject to fines and various other administrative remedies.

We recommend the Center take the necessary steps to ensure that the annual financial report is prepared on a generally accepted accounting principles basis.

**Officials' Response:**

The Center has chosen to use the most cost-effective financial reporting system available. The additional cost associated with the GAAP financial statements would be a direct burden upon instructional resources.

**CENTER FOR STUDENT ACHIEVEMENT  
JACKSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2013-001	A material noncompliance citation was issued under Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(B) for not reporting on a GAAP basis.	No	Not Corrected:  This item is repeated in the current audit as Finding 2014-001.



# Dave Yost • Auditor of State

**CENTER FOR STUDENT ACHIEVEMENT**

**JACKSON 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  
DECEMBER 30, 2014**