



Dave Yost • Auditor of State

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Statement of Net Position.....	7
Statement of Revenues, Expenses, and Changes in Net Position.....	8
Statement of Cash Flows	9
Notes to the Basic Financial Statements	11
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	25
Independent Accountants' Report on Applying Agreed Upon Procedures	27

THIS PAGE INTENTIONALLY LEFT BLANK.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Imagine Schools on Superior
Stark County
1500 Superior Avenue NE
Canton, Ohio 44705

To the Governing Board:

Report on the Financial Statements

We have audited the accompanying financial statements of Imagine Schools on Superior, Stark County, Ohio (the School), as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2014, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

April 25, 2014

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

The discussion and analysis of the Imagine Schools on Superior's (the "School") financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School's financial performance.

Financial Highlights

Key financial highlights for 2013 are as follows:

- In total, net position (deficit) was \$241,818 at June 30, 2013.
- The School had operating revenues of \$1,325,406, operating expenses of \$1,782,048 and non-operating revenues of \$362,163 for fiscal year 2013. The operating loss was \$456,642 and the change in net position was a decrease of \$94,479 in the School's third year of operations.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School's financial activities. The *statement of net position* and *statement of revenues, expenses and changes in net position* provide information about the activities of the School, including all short-term and long-term financial resources and obligations.

Reporting the School's Financial Activities

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

These documents look at all financial transactions and ask the question, "How did we do financially during 2013?" The statement of net position and the statement of revenues, expenses and changes in net position answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the School as a whole, the *financial position* of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 7 and 8 of this report.

The statement of cash flows provides information about how the School finances and meets the cash flow needs of its operations. The statement of cash flows can be found on page 9 of this report.

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

The table below provides a comparative analysis of fiscal years 2013 and 2012:

	Net Position		
	<u>2013</u>	<u>2012</u>	<u>Variance</u>
<u>Assets</u>			
Current assets	\$ 81,676	\$ 55,926	\$ 25,750
<u>Liabilities</u>			
Current liabilities	83,494	203,265	(119,771)
Long-term liabilities	<u>240,000</u>	<u>-</u>	<u>240,000</u>
Total liabilities	<u>323,494</u>	<u>203,265</u>	<u>120,229</u>
<u>Net Position</u>			
Unrestricted (deficit)	<u>(241,818)</u>	<u>(147,339)</u>	<u>(94,479)</u>
Total net position (deficit)	<u>\$ (241,818)</u>	<u>\$ (147,339)</u>	<u>\$ (94,479)</u>

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2013 and 2012, the School's net position totaled a deficit \$241,818 and \$147,339, respectively.

Current assets represent cash and intergovernmental receivables. The School reported an intergovernmental receivable for grants at June 30, 2013 and 2012 in the amount of \$81,277 and \$42,372, respectively. As a result of the full-time equivalency (FTE) review by the Ohio Department of Education at June 30, 2012, an intergovernmental receivable in the amount of \$13,312 was reported. The School does not anticipate a material impact on the financial statements as a result of the fiscal year 2013 FTE review.

Current liabilities of \$83,494 and \$63,265 at June 30, 2013 and 2012, respectively, represent accounts and intergovernmental payables for professional services. Additional current/long-term liabilities of \$140,000 and \$240,000 at June 30, 2012 and 2013, respectively, represent advances payable to the School's operating company for covering operating expenses (see Note 10 for detail). The advances payable to operating company contributed to the deficit net position at June 30, 2013 (see Note 15 for detail).

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

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

	<u>2013</u>	<u>2012</u>	<u>Variance</u>
<u>Operating Revenue:</u>			
State foundation	\$ 1,325,406	\$ 1,232,670	\$ 92,736
Other	<u>-</u>	<u>4,446</u>	<u>(4,446)</u>
Total operating revenue	<u>1,325,406</u>	<u>1,237,116</u>	<u>88,290</u>
<u>Operating Expenses:</u>			
Purchased services	1,781,748	1,793,467	(11,719)
Other	<u>300</u>	<u>7,159</u>	<u>(6,859)</u>
Total operating expenses	<u>1,782,048</u>	<u>1,800,626</u>	<u>(18,578)</u>
<u>Non-operating Revenue:</u>			
Federal and state grants	<u>362,163</u>	<u>410,335</u>	<u>(48,172)</u>
Total non-operating revenue	<u>362,163</u>	<u>410,335</u>	<u>(48,172)</u>
Change in net position	(94,479)	(153,175)	58,696
Net position (deficit) at beginning of year	<u>(147,339)</u>	<u>5,836</u>	<u>(153,175)</u>
Net position (deficit) at end of year	<u>\$ (241,818)</u>	<u>\$ (147,339)</u>	<u>\$ (94,479)</u>

Fiscal year 2013 enrollment increased to 179 students compared to 166 students in fiscal year 2012. The School relies on State foundation revenues for operations, with 78.54 and 74.82 percent of total revenues coming from State foundation for fiscal year 2013 and 2012, respectively. Federal and State grants include monies received during fiscal year 2013 from the Federal breakfast and lunch, Federal Start-Up, Title VI-B, Title I, and Improving Teacher Quality programs. The School received additional Federal funding from the Education Jobs program during fiscal year 2012. The School contracted with Imagine Schools, Inc. for management services for fiscal years 2013 and 2012 (see Note 9.B to the notes to the financial statements for detail).

Debt

With exception to advances payable, the School had no debt obligations outstanding at June 30, 2013 or June 30, 2012.

Capital Assets

The School had no capital assets to report at June 30, 2013 or June 30, 2012.

Restrictions and Other Limitations

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

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

Current Financial Related Activities

The School is sponsored by Portage County Educational Service Center. The School is reliant upon State foundation monies and Federal Grants to offer quality, educational services to students.

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

Contacting the School's Financial Management

This financial report is designed to provide our clients and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Richard Berdine, Treasurer, Imagine Schools on Superior, 1500 Superior Avenue NE, Canton, Ohio 44705.

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2013

Assets:	
Current assets:	
Cash	\$ 399
Receivables:	
Intergovernmental.	<u>81,277</u>
Total assets.	<u>81,676</u>
 Liabilities:	
Current liabilities:	
Accounts payable.	83,494
Non-current liabilities:	
Advances payable to operating company. . .	<u>240,000</u>
Total liabilities.	<u>323,494</u>
 Net position:	
Unrestricted (deficit)	<u>(241,818)</u>
Total net position (deficit).	<u><u>\$ (241,818)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

Operating revenue:	
State foundation	\$ 1,325,406
Total operating revenue	<u>1,325,406</u>
Operating expenses:	
Purchased services.	1,781,748
Other.	300
Total operating expenses.	<u>1,782,048</u>
Operating loss	<u>(456,642)</u>
Non-operating revenue:	
Federal and state grants	362,163
Total non-operating revenue	<u>362,163</u>
Change in net position	(94,479)
Net position (deficit) at beginning of year . .	<u>(147,339)</u>
Net position (deficit) at end of year.	<u>\$ (241,818)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

Cash flows from operating activities:	
Cash received from state foundation.	\$ 1,338,718
Cash payments for purchased services.	(1,657,540)
Cash payments for other expenses.	<u>(6,933)</u>
Net cash used in operating activities	<u>(325,755)</u>
Cash flows from noncapital financing activities:	
Cash received from grants and subsidies.	<u>325,912</u>
Net cash provided by noncapital financing activities.	<u>325,912</u>
Net increase in cash	157
Cash at beginning of year	<u>242</u>
Cash at end of year	<u><u>\$ 399</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss.	\$ (456,642)
Changes in assets and liabilities:	
Decrease in intergovernmental receivable	13,312
Increase in accounts payable.	26,490
(Decrease) in intergovernmental payable.	(8,915)
Increase in advances payable to operating company . .	<u>100,000</u>
Net cash used in operating activities.	<u><u>\$ (325,755)</u></u>
Non-cash transactions:	
The School paid back \$5,000 and received \$105,000 in advances payable to Imagine Schools, Inc. during fiscal year 2013.	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE SCHOOL

Imagine Schools on Superior (the “School”) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The School’s objective is to address the needs of kindergarten through third grade students through a standards based curriculum. The School, 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 School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School.

On May 12, 2010, the School, originally named the Pathways to Success Canton Community School, was approved under contract with the Portage County Educational Service Center (the “Sponsor”) commencing on July 1, 2010 and ending on June 30, 2015. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration.

For the period July 1, 2010 through November 29, 2010, Multi-State Billing Services, LLC served as the management company for the School. The School began contracting with Imagine Schools, Inc. for most functions effective November 30, 2010 (see Note 9.B for detail), at which time the school was renamed Imagine Schools on Superior.

The School operates under the direction of a Governing Board which must contain at least five Directors who are not owners or employees, or relatives of owners or employees, of any for-profit company that operates or manages the School. The Governing Board 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 qualification of teachers. The Governing Board controls the School’s instructional/support facility staffed by employees of the management company who provide services to 179 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The School’s basic financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.

The School uses a single enterprise presentation. Enterprise reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

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

B. Measurement Focus

Enterprise activity is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position. The statement of cash flows reflects how the School's finances meet its cash flow needs.

C. Basis of Accounting

Basis of accounting determines when transactions are recognized in the financial records and reported on the financial statements. The School's financial statements are prepared using the accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Revenue resulting from non-exchange transactions, in which the School receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the period when the resources are required to be used or the period when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. Expenses are recognized at the time they are incurred.

D. Budgetary Process

The contract between the School and its Sponsor prescribes an annual budget requirement in addition to preparing a 5-year forecast, which is to be updated on an annual basis. Chapter 5705.391 of the Ohio Revised Code also requires the School to prepare a 5-year forecast, update it annually and submit it to the Superintendent of Public Instruction at the Ohio Department of Education.

E. Cash

Cash received by the School is reflected as "cash" on the statement of net position. Unless otherwise noted, all monies received by the School are pooled and deposited in a central bank account as demand deposits. The School did not have any investments during fiscal year 2013.

F. Capital Assets

Capital assets are capitalized at cost or estimated historical cost and updated for additions and deletions during the year. The School has established a capitalization threshold of \$1,500. The School does not have any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

The School had no capital assets over the threshold to report at June 30, 2013.

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

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

G. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

H. Intergovernmental Revenues

The School currently participates in the State Foundation Program, Special Education, and the Parity Aid Program. Revenue received from these programs is recognized as operating revenues. Amounts awarded under these programs for the 2013 school year totaled \$1,325,406.

Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility includes 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 School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. Federal and State grant revenue received during fiscal year 2013 was \$362,163.

I. Accrued Liabilities and Long-Term Obligations

All payables and other accrued liabilities are reported on the statement of net position.

J. Operating Revenues and Expenses

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

K. Estimates

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

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

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

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

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

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

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

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The implementation of GASB Statement No. 65 had no effect on the financial statements of the School.

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

NOTE 4 - DEPOSITS

Custodial credit risk is the risk that, in the event of bank failure, the School's deposits may not be returned. The School does not have a deposit policy for custodial credit risk. At June 30, 2013, the carrying amount and the bank balance of the School's deposits was \$399. The entire bank balance was covered by the Federal Deposit Insurance Corporation (FDIC). There are no significant statutory restrictions regarding the deposit and investment of funds by the non-profit corporation.

NOTE 5 - RECEIVABLES/PAYABLES

Receivables at June 30, 2013, consisted of intergovernmental receivables arising from grants and entitlements. All receivables are considered collectible in full. A summary of the intergovernmental receivables follows:

Intergovernmental receivable:	<u>Amount</u>
Federal breakfast & lunch reimbursement	\$ 12,864
IDEA Part B	2,960
Title I	64,943
Improving Teacher Quality	<u>510</u>
Total intergovernmental receivables	<u>\$ 81,277</u>

Under the terms of the operating contract with Imagine Schools, Inc. (see Note 9.B for detail), the School has recorded accounts payable to Imagine Schools, Inc. in the amount of \$81,277, for 100 percent of any State and Federal grant monies uncollected or unpaid as of June 30, 2013.

NOTE 6 - PENSION PLANS

The School has contracted with Imagine Schools, Inc. (See Note 9.B) to provide employee services and to pay those employees. However, these contract services do not relieve the School of the obligation for remitting pension contributions. The retirement systems consider the School as the Employer-of-Record and the School ultimately responsible for remitting retirement contributions to the systems noted below:

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

NOTE 6 - PENSION PLANS - (Continued)

A. School Employees Retirement System

Plan Description - Imagine Schools, Inc., on behalf of the School, contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute at an actuarially determined rate. The current School rate is 14 percent of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2013, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$16,203, \$11,430 and \$12,147, respectively; 100 percent has been contributed for fiscal years 2013, 2012 and 2011.

B. State Teachers Retirement System of Ohio

Plan Description - Imagine Schools, Inc., on behalf of the School, participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org, under "Publications".

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

NOTE 6 - PENSION PLANS - (Continued)

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

Funding Policy - For fiscal year 2013, plan members were required to contribute 10 percent of their annual covered salaries. The School was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012 and 2011 were \$79,944, \$40,666 and \$17,439, respectively; 100 percent has been contributed for fiscal years 2013, 2012 and 2011.

NOTE 7 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - Imagine Schools, Inc., on behalf of the School, participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

NOTE 7 - POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2013, 0.16 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the actuarially determined amount was \$20,525.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The School's contributions for health care for the fiscal years ended June 30, 2013, 2012 and 2011 were \$198, \$495 and \$1,471, respectively; 100 percent has been contributed for fiscal years 2013, 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2013, this actuarially required allocation was 0.74 percent of covered payroll. The School's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$915, \$675 and \$782, respectively; 100 percent has been contributed for fiscal years 2013, 2012 and 2011.

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2013, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School's contributions for health care for the fiscal years ended June 30, 2013, 2012 and 2011 were \$6,150, \$3,128 and \$1,341, respectively; 100 percent has been contributed for fiscal years 2013, 2012 and 2011.

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

NOTE 8 - RISK MANAGEMENT

The School 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. During fiscal year 2013, the School maintained the following coverage through WRM America:

<u>Coverage</u>	<u>Limits of Coverage</u>
General liability:	
Each occurrence	\$ 1,000,000
General aggregate	3,000,000
Medical expenses	5,000
Personal & advertising injury	1,000,000
Damages to rented premises, per occurrence	1,000,000
Products - aggregate	2,000,000
Automobile liability:	
Combined single limit - each accident	1,000,000
Excess/umbrella liability:	
Each occurrence	5,000,000
Aggregate	5,000,000
Professional liability	1,000,000

Settled claims have not exceeded this commercial coverage in the past three years. There were reductions in coverage in workers compensation and employers liability from fiscal year 2012 to 2013.

NOTE 9 - CONTRACTS

A. Sponsor Contract

The School entered into a sponsorship contract commencing on July 1, 2010 and ending on June 30, 2015 with the Portage County Educational Service Center (the "Sponsor") for its establishment. The Sponsor shall carry out the responsibilities established by law, including:

- Monitor the School's compliance with the laws applicable to the School and with the terms of this contract;
- Monitor and evaluate the academic and fiscal performance and the organization of the School on at least an annual basis;
- Provide reasonable technical assistance to the School in complying with this contract and with applicable laws (provided, however, the Sponsor shall not be obligated to give legal advice to the School);

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

NOTE 9 - CONTRACTS - (Continued)

- Take steps to intervene in the School's operation to correct problems in the School's overall performance, declare the School to be on probationary status under Ohio Revised Code Section 3314.073, suspend operation of the School pursuant to Ohio Revised Code Section 3314.072, or terminate or non-renew this contract pursuant to Ohio Revised Code Section 3314.07, as determined necessary by the Sponsor; and
- Establish and/or require a plan of action to be undertaken if the School experiences financial difficulties or losses before the end of the school year.

The School paid the Sponsor \$40,161 for services during fiscal year 2013.

B. Operating Contract

The School entered into an operating contract with Imagine Schools, Inc. for management consulting services. The contract shall continue until termination or expiration without renewal of the charter. Imagine Schools, Inc. is required to provide the following services:

- Personnel and human resources administration
- Program of instruction
- Purchasing and contracts
- Budgeting, financial reporting and audit preparation
- Compliance issues
- Curriculum research and development
- Marketing and publicity
- Equipment and facilities
- Grant preparation and management

For the services listed above, the School is required to pay a fee to Imagine Schools, Inc. The fee is equal to approximately 90 percent of the total per pupil allowance received from the State of Ohio and of State and/or Federal grant funds received by the School for the creation and operation of its school. Imagine Schools, Inc. charges the School (retains) an amount equaling the excess of unrestricted revenue over expense. Payments to Imagine Schools, Inc. amounted to \$1,731,688 during fiscal year 2013.

C. Computer Services Contract

The School entered into a contract on June 11, 2012, with the North Central Ohio Computer Cooperative/Heartland Council of Governments (NCOCC/H-COG) for computer services. The contract is in effect from July 1, 2012, until a successive contract is approved. Imagine Schools, Inc., on behalf of the School, paid NCOCC/H-COG for services provided during the year.

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

NOTE 10 - ADVANCES PAYABLE TO OPERATING COMPANY

The School received advances in the amount of \$140,000 during fiscal year 2012 from Imagine Schools, Inc. to cover operating expenses. During fiscal year 2013, the School paid back \$5,000 and received an additional \$105,000 in advances from Imagine Schools, Inc. In accordance with the School's operating contract with Imagine Schools, Inc. a payable will be recorded for the unpaid amount of \$240,000 outstanding at June 30, 2013. Per the operating contract, Imagine may charge an interest rate of up to 10 percent on advances not repaid in the same fiscal year. A payment schedule has not been established.

NOTE 11 - OPERATING COMPANY EXPENSES

For the fiscal year ended June 30, 2013, Imagine Schools, Inc. and its affiliates incurred the following expenses (reported on cash-basis) on behalf of the School:

Direct Expenses:	
Salaries and wages	\$ 697,648
Employees' benefits	226,936
Purchased services	616,197
Supplies and materials	70,705
Capital outlay	16,076
Other direct costs	36,455
Indirect Expenses	<u>172,303</u>
Total expenses	<u>\$ 1,836,320</u>

Overhead charges included in other direct costs are assigned to the School based on a percentage of revenue. These charges represent the indirect cost of services in the operation of the School. Such services include, but are not limited to, facilities management, equipment, operational support services, management and management consulting, board relations, human resources management, training and orientation, financial reporting and compliance, purchasing and procurement, education services, technology support and marketing and communications.

NOTE 12 - PURCHASED SERVICES EXPENSES

For fiscal year 2013, purchased services expenses were as follows:

Operating fees	\$ 1,731,688
Sponsorship fees	40,161
Communications	34
Professional and technical services	<u>9,865</u>
Total	<u>\$ 1,781,748</u>

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

NOTE 13 - OPERATING LEASE

On May 12, 2010, Portage County Educational Service Center entered into a lease agreement with the St. Paul Roman Catholic Church to lease classroom space for the School. On May 12, 2010 Portage County Educational Service Center assigned all of its rights, title and interest in the lease to Multi-State Billing Services, LLC (MSB). On May 13, 2010, the School entered into a sublease agreement with Portage County Educational Service Center to lease the classroom space. The lease agreement commenced on July 1, 2010 for a period of three years, unless terminated as provided within the lease agreement. The annual base rent is \$96,271 payable in twelve monthly installments of \$8,023 due on the first of each calendar month. Effective December 1, 2010, MSB assigned all of its rights, title and interest in the lease to Schoolhouse Finance, LLC (SHF). In addition, an amendment was made to the sublease between the School and the Portage County Educational Service Center effective December 1, 2010, to make the two entities subtenants.

The School entered into a lease agreement on April 3, 2012, with Schoolhouse Finance, LLC (“SHF”) to lease classroom space for the School. The term of the lease commenced April 3, 2012, and continues so long as the contract between the School and its Sponsor remains in effect, inclusive of any renewals. The School shall pay to Schoolhouse Finance, LLC \$71,304 in annual base rent payable in advance in monthly installments of \$5,942 each on the fifteenth day of each month of the term. The base rent shall escalate annually on July 1 at a rate equal to the lesser of the overall Consumer Price Index for the immediately preceding calendar year as reported by the Bureau of Labor Statistics and the maximum amount permitted by law. The lease is a net lease and the School shall also pay to SHF additional rent for real property tax and assessments, personal property taxes, insurance premiums, and sales tax.

Imagine Schools, Inc., made the operating lease payments to SHF on the School’s behalf during fiscal year 2013.

NOTE 14 - CONTINGENCIES

A. Grants

The School received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2013.

B. Ohio Department of Education Enrollment Review

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by community schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the state, upon which State foundation funding is calculated. The School does not anticipate a material impact on the financial statements as a result of the review.

**IMAGINE SCHOOLS ON SUPERIOR
STARK COUNTY, OHIO**

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

NOTE 15 - MANAGEMENT PLAN

The School had an operating loss of \$456,642, a decrease of \$94,479 in net position, and deficit net position of \$241,818 at June 30, 2013. The School will pay back \$240,000 in advances payable to Imagine Schools, Inc., as the School's financial picture improves and the School is eventually able to stand alone financially. Management intends to continue to increase School enrollment and improve operating efficiencies.

This page intentionally left blank.



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*

Imagine Schools on Superior
Stark County
1500 Superior Avenue NE
Canton, Ohio 44705

To the Governing Board:

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 Imagine Schools on Superior, Stark County, (the School) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated April 25, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Imagine Schools on Superior
Stark County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other
Matters Required by Government Auditing Standards
Page 2

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

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

Dave Yost
Auditor of State
Columbus, Ohio

April 25, 2014



Dave Yost • Auditor of State

Independent Accountants' Report on Applying Agreed-Upon Procedure

Imagine Schools on Superior
Stark County
1500 Superior Avenue NE
Canton, Ohio 44705

To the Governing Board:

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 procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Imagine Schools on Superior (the School) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the School adopted an anti-harassment policy at its meeting on June 15, 2010 which includes prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

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

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State
Columbus, Ohio

April 25, 2014

101 Central Plaza South, 700 Chase Tower, Canton, Ohio 44702-1509
Phone: 330-438-0617 or 800-443-9272 Fax: 330-471-0001
www.ohioauditor.gov

This page intentionally left blank.



Dave Yost • Auditor of State

IMAGINE SCHOOLS ON SUPERIOR

STARK 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
MAY 13, 2014**