

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE FISCAL YEAR  
ENDED JUNE 30, 2014**

***James G. Zupka, CPA, Inc.***  
**Certified Public Accountants**





# Dave Yost • Auditor of State

Members of the Board  
Polly Fox Academy  
1505 Jefferson Avenue  
Toledo, Ohio 43504

We have reviewed the *Independent Auditor's Report* of the Polly Fox Academy, Lucas County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2013 through June 30, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Polly Fox Academy is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

December 19, 2014

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**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO  
AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

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*Garfield Hts., Ohio 44125*

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Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To Members of the Board  
Polly Fox Academy  
Toledo, Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

We have audited the accompanying financial statements of the Polly Fox Academy, Lucas County, Ohio (the Academy), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Academy's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Polly Fox Academy, Ohio's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Polly Fox Academy, Ohio, as of June 30, 2014, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with 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 that the Management's Discussion and Analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2014, on our consideration of the Polly Fox Academy, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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 Polly Fox Academy, Ohio's internal control over financial reporting and compliance.

**James G. Zupka,**  
**CPA, President**

James G. Zupka, CPA, Inc.  
Certified Public Accountants

Digitally signed by James G. Zupka, CPA,  
President  
DN: cn=James G. Zupka, CPA, President,  
o=James G. Zupka, CPA, Inc., ou=Accounting,  
email=jgzcpa@sbcglobal.net, c=US  
Date: 2014.12.08 17:06:59 -05'00'

November 20, 2014

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The management's discussion and analysis of the Polly Fox Academy (the "Academy") financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the Academy'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 Academy's financial performance.

**Financial Highlights**

Key financial highlights for 2014 are as follows:

- In total, net position was \$212,568 at June 30, 2014.
- The Academy had operating revenues of \$673,975 and operating expenses of \$1,224,948 for fiscal year 2014. The Academy also received \$347,269 in federal, state and local grants and \$128 in interest revenue during fiscal year 2014.

**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 Academy'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 Academy, including all short-term and long-term financial resources and obligations.

**Reporting the Academy 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 2014?" 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 Academy's net position and changes in those assets. This change in net position is important because it tells the reader that, for the Academy as a whole, the financial position of the Academy has improved or diminished. The 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 Academy finances and meets the cash flow needs of its operations. The statement of cash flows can be found on page 9 of this report.



**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The table below provides a comparison of the Academy's net position for fiscal years 2014 and 2013.

	<b>Net Position</b>	
	2014	2013
<b><u>Assets:</u></b>		
Current assets	\$ 303,380	\$ 610,108
Non-current assets	-	1,193
Total assets	303,380	611,301
<b><u>Liabilities:</u></b>		
Current liabilities	90,812	195,157
Total liabilities	90,812	195,157
<b><u>Net position:</u></b>		
Invested in capital assets	-	1,193
Restricted	50,152	164,567
Unrestricted	162,416	250,384
Total net position	\$ 212,568	\$ 416,144

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2014, the Academy's net position totaled \$212,568, of which \$50,152 is restricted in use.

Intergovernmental receivables decreased \$148,020 from fiscal year 2013. This is the largest decrease in current assets. This is due to less grant revenue available to the Academy for fiscal year 2014. The next largest decrease in current assets was the decrease in cash and cash equivalents. Cash and cash equivalents decreased due to operating expenses exceeding the total of operating and non-operating revenues.

Current liabilities decreased due to a decrease in the amount due to the Ohio Department of Education for missing fiscal year Maintenance of Effort (MOE) requirements.

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The table below provides a comparative analysis of the changes in net position for fiscal years 2014 and 2013.

**Change in Net Position**

	<u>2014</u>	<u>2013</u>
<b><u>Operating revenues:</u></b>		
State foundation	\$ 598,838	\$ 703,744
Special education	65,712	59,905
Casino revenue	5,114	-
Charges for services	2,183	4,961
Other operating revenues	<u>2,128</u>	<u>15,168</u>
Total operating revenue	<u>673,975</u>	<u>783,778</u>
<b><u>Operating expenses:</u></b>		
Salaries	144,436	202,291
Fringe benefits	29,945	24,446
Purchased services	976,894	925,844
Materials and supplies	17,645	48,430
Depreciation	1,193	12,069
Other	<u>54,835</u>	<u>74,167</u>
Total operating expenses	<u>1,224,948</u>	<u>1,287,247</u>
<b><u>Non-operating revenues:</u></b>		
Operating grants	347,269	315,159
Interest	<u>128</u>	<u>279</u>
Total non-operating revenues	<u>347,397</u>	<u>315,438</u>
Change in net position	(203,576)	(188,031)
Net position at beginning of year	<u>416,144</u>	<u>604,175</u>
Net position at end of year	<u>\$ 212,568</u>	<u>\$ 416,144</u>

The Academy's business-type activities consist of enterprise activity. Community schools receive no support from tax levies.

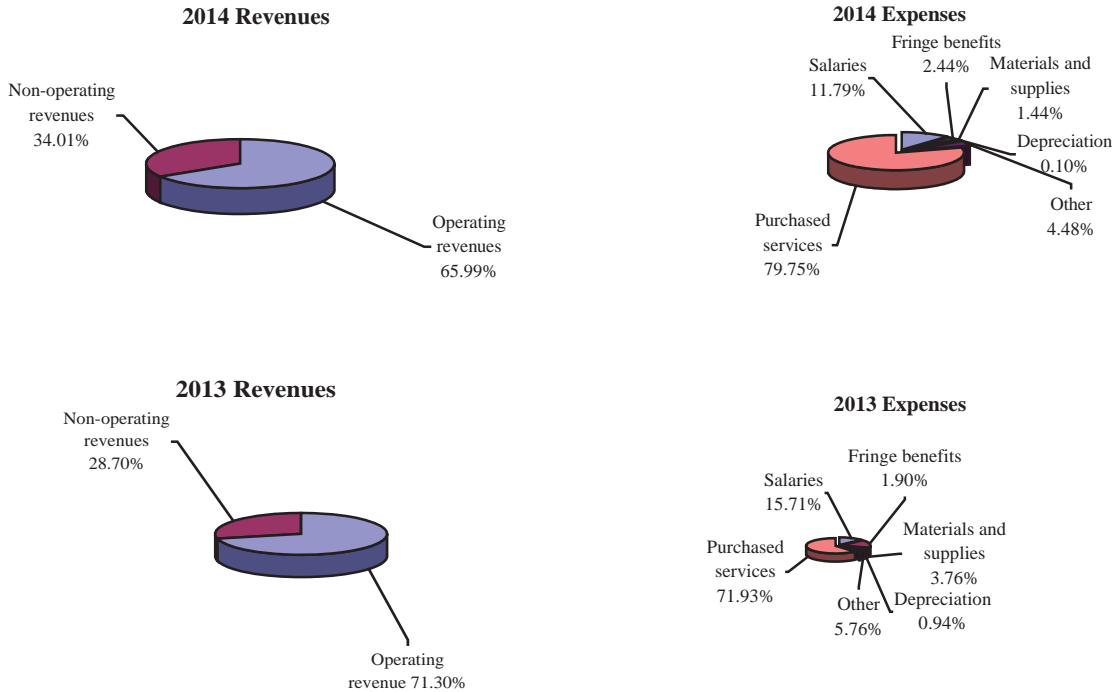
There was a decrease in operating revenues of \$109,803. The decrease in operating revenue is due to a decrease in enrollment for fiscal year 2014. Non-operating revenues increased \$31,959, primarily due to increased grant revenue from the Ohio Department of Job and Family Services.

The expense for purchased services increased \$51,050 from fiscal year 2013. This is primarily due to an increase in the amount of services purchased from Toledo Public Schools. The Academy owes \$71,026 to Toledo Public Schools for other purchased services.

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The charts below illustrate the revenues and expenses for the Academy during fiscal 2014 and 2013.



**Capital Assets**

The Academy’s asset capitalization minimum is \$5,000. The Academy’s capital assets were fully depreciated at June 30, 2014. See Note 8 for details.

**Current Financial Related Activities**

Foundation revenue is the primary source of funding received by Academy representing 88.86% of total operating revenues. The majority of other State and federal aid in the non-operating revenues came from the Ohio Department of Education in the form of Title I, IDEA-B and Race to the Top grants. These monies were used to finance educational opportunities to those students participating in the Academy’s programs.

Payroll and fringe benefits totaled \$174,381 or 17.08% of total revenues and 14.24% of total expenses. Purchased services expense primarily includes expenses incurred from fees for professional services, building services, training, consulting and advertising. The Academy’s primary vendor for purchased services is Toledo Public Schools. The Academy paid \$897,485 to Toledo Public Schools during fiscal year 2014.

**Contacting the Academy’s Financial Management**

This financial report is designed to provide our clients and creditors with a general overview of the Academy’s finances and to show the Academy’s accountability for the money it receives. If you have questions about this report or need additional financial information contact Patricia Zelei, Treasurer, Polly Fox Academy, 1505 Jefferson Avenue, Toledo, Ohio 43604.

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2014

**Assets:**

Current assets:	
Cash and cash equivalents. . . . .	\$ 223,632
Receivables:	
Intergovernmental. . . . .	78,285
Prepayments . . . . .	1,463
	303,380
Total assets. . . . .	303,380

**Liabilities:**

Current liabilities:	
Accounts payable. . . . .	4,954
Accrued wages . . . . .	5,370
Intergovernmental payable . . . . .	9,117
Due to students. . . . .	345
Accounts payable to Toledo Public Schools. . . . .	71,026
	90,812
Total liabilities . . . . .	90,812

**Net position:**

Restricted for:	
Restricted for food service . . . . .	1,980
Restricted for locally funded programs. . . . .	36,722
Restricted for state programs. . . . .	1,438
Restricted for federal programs . . . . .	10,012
Unrestricted. . . . .	162,416
	162,416
Total net position. . . . .	\$ 212,568

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<b>Operating revenues:</b>	
Foundation revenue . . . . .	\$ 598,838
Special education . . . . .	65,712
Casino revenue. . . . .	5,114
Charges for services. . . . .	2,183
Other operating revenue . . . . .	2,128
Total operating revenues . . . . .	<u>673,975</u>
 <b>Operating expenses:</b>	
Salaries and wages. . . . .	144,436
Fringe benefits. . . . .	29,945
Purchased services. . . . .	976,894
Materials and supplies . . . . .	17,645
Depreciation . . . . .	1,193
Other. . . . .	54,835
Total operating expenses. . . . .	<u>1,224,948</u>
 Operating loss . . . . .	 <u>(550,973)</u>
 <b>Non-operating revenues:</b>	
Operating grants - local. . . . .	76,436
Operating grants - state. . . . .	162,831
Operating grants - federal. . . . .	108,002
Interest . . . . .	128
Total nonoperating revenues . . . . .	<u>347,397</u>
 Change in net position . . . . .	 (203,576)
 <b>Net position at beginning of year. . . . .</b>	 <u>416,144</u>
 <b>Net position at end of year . . . . .</b>	 <u><u>\$ 212,568</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<b>Cash flows from operating activities:</b>	
Cash received from State of Ohio . . . . .	\$ 669,664
Cash received from charges for services. . . . .	2,183
Cash received from other operations . . . . .	2,128
Cash payments for employees for services. . . . .	(153,500)
Cash payments for employee benefits . . . . .	(28,761)
Cash payments for purchased services . . . . .	(1,026,262)
Cash payments for materials and supplies . . . . .	(17,071)
Cash payments for other expenses . . . . .	(103,764)
	(655,383)
Net cash used in operating activities. . . . .	
<b>Cash flows from noncapital financing activities:</b>	
Cash received from grants and subsidies. . . . .	495,084
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	128
Net decrease in cash and cash cash equivalents . . . . .	
	(160,171)
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<b>383,803</b>
<b>Cash and cash equivalents at end of year . . . . .</b>	<b>\$ 223,632</b>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss . . . . .	\$ (550,973)
Adjustments:	
Depreciation . . . . .	1,193
Changes in assets and liabilities:	
Decrease in intergovernmental receivable . . . . .	205
Increase in prepayments . . . . .	(1,463)
Increase in accounts payable. . . . .	1,360
Decrease in accrued wages and benefits . . . . .	(9,064)
Decrease in intergovernmental payable . . . . .	(91,922)
Decrease in due to students . . . . .	(896)
Decrease in accounts payable to TPS . . . . .	(3,823)
	(655,383)
Net cash used in operating activities . . . . .	
	\$ (655,383)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 1 - DESCRIPTION OF THE ACADEMY**

The Polly Fox Academy, Lucas County, Ohio (the “Academy”) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of students in grades nine through twelve. The Academy is part of the State’s education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The Academy may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy. The Academy qualifies as an exempt organization under Section 501c(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 Academy’s tax-exempt status.

The Academy was approved for operation under a contract with Toledo Public Schools (the “Sponsor”) for a period of five academic years commencing September 1, 2003. The Academy has entered a new contract with the Sponsor for three years effective July 1, 2008 through June 30, 2011, with two one year renewal periods at the option of the parties. During fiscal year 2012, the contract was amended to add an additional year. During fiscal year 2014, the contract was amended to add an additional three years. The current contract is effective through June 30, 2017.

The Academy operates under the direction of a five member Governing Board. The 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 qualifications of teachers. The Governing Board controls the Academy’s one instructional/support facility staffed by 1 non-certified staff members and 9 certified full time teaching personnel who provide services to 97 students.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements (BFS) of the Academy 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 Academy’s significant accounting policies are described below.

**A. Basis of Presentation**

The Academy uses enterprise accounting to report on its financial activities. Enterprise accounting focuses on the determination of operating income, changes in net position, financial position and cash flows. Enterprise accounting may be used to account for any activity for which a fee is charged to external users for goods and services.



**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

**B. Measurement Focus**

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

**C. Basis of Accounting**

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

Revenues 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.

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

Expenses are recognized at the time they are incurred.

**D. Budgetary Process**

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, except House Bill 364, which took effect April 8, 2003, added Ohio Revised Code Section 3314.03 (11)(d), which states that community schools must comply with Ohio Revised Code Section 5705.391. This requires each community school to submit to the Ohio Department of Education (ODE) a five year forecast no later than October 31 of each year.

**E. Cash and Cash Equivalents**

The Academy's Treasurer accounts for all monies received by the Academy. All cash received by the Treasurer is maintained in separate bank accounts in the Academy's name.

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

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

During fiscal year 2014, investments were limited to investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). The Academy has invested funds in STAR Ohio during fiscal year 2014. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2014.

**F. Capital Assets and Depreciation**

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The Academy has maintained a capitalization threshold of \$5,000. The Academy 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, but are expended when incurred.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture fixtures and equipment	5 years
Vehicles	5 - 20 years

**G. Net Position**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "investment in capital assets," consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the fiscal year in which services are consumed.

**I. Operating Revenues and Expenses**

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

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

**J. Intergovernmental Revenue**

The Academy currently participates in the State Foundation Program through the Ohio Department of Education. Revenue from this program is recognized as operating revenue in the accounting period in which all eligibility requirements have been met. Foundation and special education revenue received by the Academy during fiscal year 2014 was \$664,550.

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 Academy must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis. Federal, State and local grants for the fiscal year 2014 received by the Academy was \$347,269.

**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.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For fiscal year 2014, the Academy has implemented GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the Academy.

**A. Deposits with Financial Institutions**

At June 30, 2014, the carrying amount of all Academy deposits was \$55,836. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2014, all of the Academy's bank balance of \$133,495 was covered by the Federal Deposit Insurance Corporation.

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 4 - DEPOSITS AND INVESTMENTS**

**B. Investments**

As of June 30, 2014, the Academy had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> <u>6 months or less</u>
STAR Ohio	\$ 167,796	\$ 167,796

*Interest Rate Risk:* Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Academy's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating.

*Concentration of Credit Risk:* The Academy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Academy at June 30, 2014:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 167,796	100.00

**C. Reconciliation of Cash and Cash Equivalents to the Statement of Net Position**

The following is a reconciliation of cash and cash equivalents as reported in the note above to cash and cash equivalents as reported on the statement of net position as of June 30, 2014:

<u>Cash and cash equivalents per note</u>	
Carrying amount of deposits	\$ 55,836
Investments	167,796
Total	<u>\$ 223,632</u>
<u>Cash and cash equivalents per statement of net position</u>	<u>\$ 223,632</u>

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 5 - RECEIVABLES**

At June 30, 2014, receivables consisted of intergovernmental grants and entitlements. All receivables are considered collectible within one year.

	<u>Receivable</u>
SERS refund	\$ 10,759
Ohio Job and Family Services grant	46,002
Food service grant	1,721
Race to the Top	1,261
Title VI-B	3,040
Title I	<u>15,502</u>
Total	<u>\$ 78,285</u>

**NOTE 6 - PURCHASED SERVICES**

For fiscal year ended June 30, 2014, purchased services expenses were as follows:

Professional and technical services	\$ 913,233
Property services & rentals	100
Travel mileage/meeting expense	7,559
Communications	17,597
Contracted food services	18,318
Transportation services	<u>20,087</u>
Total	<u>\$ 976,894</u>

**NOTE 7 - OPERATING LEASES - LESSEE DISCLOSURE**

The Academy entered into a lease with Phoenix Academy for school facilities. The lease requires an annual payment of \$100.

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance 06/30/13	Additions	Deductions	Balance 06/30/14
<i>Capital assets, being depreciated:</i>				
Furniture, fixtures and equipment	\$ 17,667	\$ -	\$ -	\$ 17,667
Vehicles	47,924	-	-	47,924
Total capital assets, being depreciated	65,591	-	-	65,591
 <i>Less: accumulated depreciation</i>				
Furniture, fixtures and equipment	(16,474)	(1,193)	-	(17,667)
Vehicles	(47,924)	-	-	(47,924)
Total accumulated depreciation	(64,398)	(1,193)	-	(65,591)
Capital assets, net	\$ 1,193	\$ (1,193)	\$ -	\$ -

**NOTE 9 - MANAGEMENT AGREEMENT**

The Academy entered into a contract, effective July 1, 2003, through June 30, 2004, renewable each year up to five years, with Toledo Public Schools (the "Sponsor") for educational and financial management services. The Academy entered a new contract with the Sponsor for three years effective July 1, 2008 through June 30, 2011, with two one year renewal periods at the option of the parties. During fiscal year 2012, the contract was amended to add an additional year. During fiscal year 2014, the contract was amended to add three additional years. The Academy and Sponsor renewed the contract through June 30, 2017.

Total expenses paid to the Sponsor were \$897,485 of which \$71,026 is recognized as an amount due to the Sponsor at June 30, 2014. The total amount consists of \$71,026, which was for purchased services.

The annual fee is paid in the subsequent fiscal year totaling an amount equal to 100% of the unencumbered balance of the amount in excess of \$600,000 with exceptions detailed in the contract with the Sponsor.

Terms of the contract require the Sponsor to provide the following:

- A. All instructional personnel, and support staff, all payroll and inclusion in benefit plans;
- B. Transportation for the Academy upon request of the Academy;
- C. Reports on Academy operations, finances, and students' performance, upon request of the Academy;
- D. Any other function necessary or expedient for the administration of the Academy at the request of the Academy;
- E. Detailed, itemized monthly invoices of costs associated with items A-D above.

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 10 - RISK MANAGEMENT**

**A. Property and Liability**

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2014, the Academy obtained insurance through broker Hylant Insurance with the following insurance coverage:

General liability coverage:

Bodily injury and property damage limit	\$	3,000,000
Personal and advertising injury limit		3,000,000
General aggregate limit		5,000,000
Fire damage limit - any one event		500,000
Medical expense - any one person or accident		10,000

Legal liability coverage:

Errors and omissions injury limit	3,000,000
Aggregate	5,000,000

Fiduciary liability coverage:

Each fiduciary claim limit	3,000,000
Aggregate	5,000,000

Employers' liability (Ohio stop gap):

Bodily injury by accident	3,000,000
Bodily injury by disease	3,000,000

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

**B. Workers' Compensation**

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

**NOTE 11 - PENSION PLANS**

**A. School Employees Retirement System**

Plan Description - The Academy 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 Academy 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](http://www.ohsers.org), under "Employers/Audit Resources".

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 11 - PENSION PLANS - (Continued)**

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute at an actuarially determined rate. The current Academy rate is 14 percent of annual covered payroll. A portion of the Academy's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2014, 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 14 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 Academy's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$22,593, \$18,920 and \$22,977, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

**B. State Teachers Retirement System of Ohio**

Plan Description - The Academy 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](http://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.

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.



**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 11 - PENSION PLANS - (Continued)**

Funding Policy - For fiscal year 2014, plan members were required to contribute 11 percent of their annual covered salaries. The Academy was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 14 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Academy's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013 and 2012 were \$113,859, \$133,585 and \$124,219, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012. Contributions to the DC and Combined Plans for fiscal year 2014 were \$5,932 made by the Academy and \$4,661 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. The contribution rate is 6.2 percent of wages.

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description - The Academy 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 2014 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](http://www.ohsers.org), under "Employers/Audit Resources".

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 12 - 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 2014, 0.14 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 2014, the actuarially determined amount was \$20,250.

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 Academy's contributions for health care (including surcharge) for the fiscal years ended June 30, 2014, 2013 and 2012 were \$547, \$1,183 and \$1,862, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The Academy's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$1,311, \$1,069 and \$1,357, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

**B. State Teachers Retirement System of Ohio**

Plan Description - The Academy contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, 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](http://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 2014, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Academy's contributions for health care for the fiscal years ended June 30, 2014, 2013 and 2012 were \$8,758, \$10,276 and \$9,555, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 13 - OTHER EMPLOYEE BENEFITS**

Most employees of the Academy are employed by Toledo Public Schools. Policies and procedures are approved by the Toledo Public Schools Board of Education and are applied to compensated absences, insurance benefits, and deferred compensation of staff purchased from Toledo Public Schools by contract.

**NOTE 14 - JOINTLY GOVERNED ORGANIZATION**

Northern Ohio Educational Computer Association (NOECA)

The NOECA is a jointly governed organization among 41 area school districts and service centers. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member school districts and service centers. Each of the governments of these schools supports the NOECA based upon a per pupil charge, dependent upon the software package utilized. The NOECA assembly consists of a superintendent from each participating district and a representative from the fiscal agent. The NOECA is governed by a Board of Directors chosen from the general membership of the NOECA Assembly. The Board of Directors consists of a representative from the fiscal agent, the chairman of each of the operating committees, and two Assembly members from each county in which participating districts are located. Each district's authority is limited to its representation on the Board. Financial information can be obtained by contacting Matt Bauer, who serves as Controller, at 219 Howard Drive, Sandusky, Ohio 44870.

**NOTE 15 - CONTINGENCIES**

**A. Grants**

The Academy receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the Academy.

**B. State Foundation Funding**

The Ohio Department of Education (ODE) conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the 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 Academy does not anticipate any significant adjustments to state funding for the fiscal year ended June 30, 2014 as a result of the reviews which have yet to be completed.

**C. Litigation**

The Academy is not a party to legal proceedings that, in the opinion of management, would have a material adverse effect on the financial statements.

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Members of the Board  
Polly Fox Academy  
Toledo, Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Polly Fox Academy, Lucas County, Ohio (the Academy), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Polly Fox Academy, Ohio's basic financial statements and have issued our report thereon dated November 20, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Polly Fox Academy, Ohio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Polly Fox Academy, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the Polly Fox Academy, Ohio's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Academy's financial statements will not be prevented, or detected and corrected on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Polly Fox Academy, Ohio's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Polly Fox Academy, Ohio's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**James G. Zupka,**  
**CPA, President**

Digitally signed by James G. Zupka, CPA,  
President  
DN: cn=James G. Zupka, CPA, President,  
o=James G. Zupka, CPA, Inc., ou=Accounting,  
email=jgzcpa@sbcglobal.net, c=US  
Date: 2014.12.08 17:07:33 -05'00'

James G. Zupka, CPA, Inc.  
Certified Public Accountants

November 20, 2014

**POLLY FOX ACADEMY  
LUCAS COUNTY, OHIO  
SCHEDULE OF PRIOR CITATIONS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2014**

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The prior audit report, as of June 30, 2013, included no citations or instances of noncompliance. Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.



# Dave Yost • Auditor of State

**POLLY FOX ACADEMY**

**LUCAS 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**