

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
FRANKLIN COUNTY, OHIO**

**BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2014**



Dave Yost • Auditor of State

Governing Board
Par Excellence Academy
96 Maholm Street
Newark, Ohio 43055

We have reviewed the *Independent Auditor's Report* of the Par Excellence Academy, Licking County, prepared by Kennedy Cottrell Richards LLC, 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 Par Excellence 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 31, 2014

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Par Excellence Academy
(A Component Unit of Newark City School District)
LICKING COUNTY, OHIO

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INDEPENDENT AUDITOR'S REPORT

Par Excellence Academy
Licking County
96 Maholm Street
Newark, Ohio 43055

To the Governing Board:

Report on the Financial Statements

We have audited the accompanying financial statements of Par Excellence Academy, Licking County, Ohio (the Academy), a component unit of Newark City School District, 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 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 Academy'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 Academy'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 Par Excellence Academy, Licking County as of June 30, 2014, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, 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 December 5, 2014, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 Academy's internal control over financial reporting and compliance.



Kennedy Cottrell Richards LLC

December 5, 2014

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014
(UNAUDITED)**

The management's discussion and analysis of the Par Excellence Academy's (the "Academy") financial performance provides an overall review of the Academy's financial activities for the 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 \$711,859 at June 30, 2014.
- The Academy had operating revenues of \$1,018,187, operating expenses of \$1,061,473, non-operating revenues of \$146,418 and non-operating expenses of \$489 for fiscal year 2014. Total change in net position for the fiscal year was an increase of \$102,643.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that 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's Financial Activities

These documents look at all financial transactions and ask the question, "How did we do financially during 2014?" The statement of net position and statement of revenues, expenses and changes in net position answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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 net position. 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.

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014
(UNAUDITED)

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

	<u>2014</u>	<u>2013</u>
Net Position		
<u>Assets</u>		
Current assets	\$ 689,886	\$ 580,103
Capital assets, net	<u>147,749</u>	<u>152,028</u>
Total assets	<u>837,635</u>	<u>732,131</u>
<u>Liabilities</u>		
Current liabilities	<u>125,776</u>	<u>122,915</u>
Total liabilities	<u>125,776</u>	<u>122,915</u>
<u>Net Position</u>		
Investment in capital assets	147,749	130,613
Restricted	32,186	38,652
Unrestricted	<u>531,924</u>	<u>439,951</u>
Total net position	<u>\$ 711,859</u>	<u>\$ 609,216</u>

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 \$711,859.

At year-end, capital assets represented 17.64% of total assets. Capital assets consisted of land, buildings, computers and other equipment. Net position invested in capital assets at June 30, 2014, was \$147,749. These capital assets are used to provide services to the students and are not available for future spending. The Academy had no capital related debt at June 30, 2014.

A portion of the Academy's net position, \$32,186, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$531,924 may be used to meet the Academy's ongoing obligations to students and creditors.

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014
(UNAUDITED)

The table below shows the changes in net position for fiscal year 2014 and 2013.

Change in Net Position

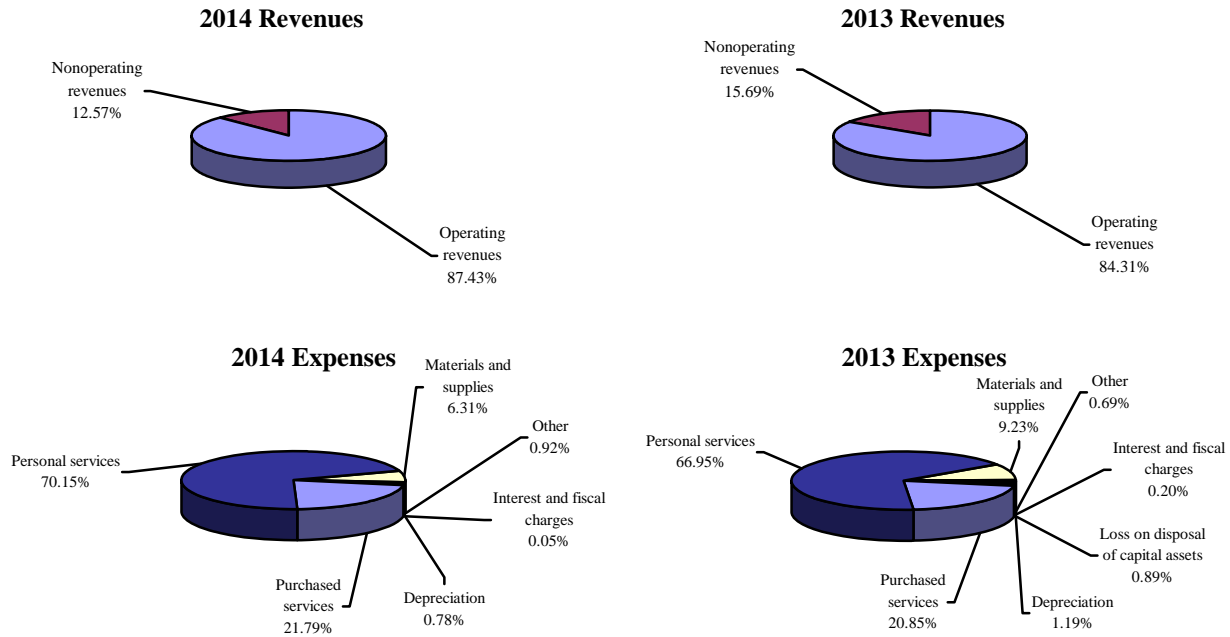
	<u>2014</u>	<u>2013</u>
<u>Operating Revenues:</u>		
State foundation	\$ 1,018,187	\$ 897,609
Total operating revenue	<u>1,018,187</u>	<u>897,609</u>
<u>Operating Expenses:</u>		
Personal services	744,950	709,722
Purchased services	231,358	221,003
Materials and supplies	66,989	97,830
Other	9,824	7,335
Depreciation	<u>8,352</u>	<u>12,614</u>
Total operating expenses	<u>1,061,473</u>	<u>1,048,504</u>
<u>Non-operating Revenues (Expenses):</u>		
Grants and subsidies	108,502	119,371
Interest revenue	494	748
Miscellaneous	33,872	42,988
Contributions and donations	3,550	4,000
Interest and fiscal charges	(489)	(2,167)
Loss on disposal of capital assets	<u>-</u>	<u>(9,470)</u>
Total non-operating revenues (expenses)	<u>145,929</u>	<u>155,470</u>
Change in net position	102,643	4,575
Net position at beginning of year	<u>609,216</u>	<u>604,641</u>
Net position at end of year	<u>\$ 711,859</u>	<u>\$ 609,216</u>

The Academy's foundation revenue increased \$120,578, or 13.43%, from fiscal year 2013. In fiscal year 2014, the Academy had an increase in the number of students with special needs and received increased funding through foundation for these students. Operating expenses increased \$12,969, or 1.24%, primarily due to an increase in personal services. The Academy has one more employee in fiscal 2014 than in 2013. Grants and subsidies decreased \$10,869, or 9.11%, due to a decrease in Federal grant funding from fiscal 2013 levels. The Academy had non-operating expenses of \$489 during fiscal year 2014 due to interest and fiscal charges from a loan received to finance the purchase of the Maholm Elementary building. The loan was repaid in full during fiscal year 2014.

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014
(UNAUDITED)**

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



Capital Assets

At June 30, 2014, the Academy had \$147,749 (net of accumulated depreciation) invested in land, buildings, computers and equipment. See Note 8 to the basic financial statements for more detail on capital assets.

Debt Administration

During fiscal year 2014, the Academy repaid the loan balance outstanding at June 30, 2013. At June 30, 2014, the District has a liability for employee vacation benefits. The vacation liability is expected to be paid in the subsequent fiscal year. See Note 7 to the basic financial statements for more detail on the Academy's outstanding debt.

Current Financial Related Activities

The Academy is sponsored by Newark City School District. The Academy is reliant upon State Foundation monies and State and Federal Grants to offer quality educational services to students. In order to continually provide learning opportunities to the Academy's students, the Academy will apply resources to best meet the needs of its students. It is the intent of the Academy to apply for other State and Federal funds that are made available to finance its operations.

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 Hueston Lauderman, Treasurer, Par Excellence Academy, 96 Maholm Street, Newark, Ohio 43055.

**BASIC
FINANCIAL STATEMENTS**

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2014

Assets:	
Current assets:	
Cash and cash equivalents	\$ 648,075
Receivables:	
Accounts	2,653
Intergovernmental.	39,158
	<hr/>
Total current assets	689,886
Non-current assets:	
Land.	10,000
Depreciable capital assets, net	137,749
	<hr/>
Total non-current assets.	147,749
	<hr/>
Total assets.	837,635
Liabilities:	
Current liabilities:	
Accounts payable.	8,546
Accrued wages and benefits	79,646
Compensated absences.	9,920
Pension obligation payable.	14,568
Intergovernmental payable	13,096
	<hr/>
Total current liabilities	125,776
Net position:	
Investment in capital assets.	147,749
Restricted for:	
Federally funded programs	31,511
Other purposes.	675
Unrestricted.	531,924
	<hr/>
Total net position.	\$ 711,859
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

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

Operating revenues:	
State Foundation	\$ 1,018,187
Total operating revenues	<u>1,018,187</u>
Operating expenses:	
Personal services	744,950
Purchased services.	231,358
Materials and supplies	66,989
Other.	9,824
Depreciation	8,352
Total operating expenses.	<u>1,061,473</u>
Operating loss	<u>(43,286)</u>
Non-operating revenues (expenses):	
Grants and subsidies.	108,502
Interest revenue	494
Miscellaneous	33,872
Contributions and donations	3,550
Interest and fiscal charges	(489)
Total nonoperating revenues (expenses)	<u>145,929</u>
Change in net position	102,643
Net position at beginning of year.	<u>609,216</u>
Net position at end of year	<u><u>\$ 711,859</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

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

Cash flows from operating activities:	
Cash received from state foundation	\$ 1,018,187
Cash payments for personal services	(733,485)
Cash payments for purchased services	(220,029)
Cash payments for materials and supplies	(68,080)
Cash payments for other expenses	(9,824)
	<hr/>
Net cash used in operating activities	(13,231)
	<hr/>
Cash flows from noncapital financing activities:	
Cash received from grants and subsidies.	104,058
Cash received from contributions and donations	3,550
Cash received from miscellaneous receipts.	36,302
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Net cash provided by noncapital financing activities.	143,910
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Cash flows from capital and related financing activities:	
Principal paid on loan	(21,415)
Interest paid on loan	(489)
Acquisition of capital assets	(1,500)
	<hr/>
Net cash used in capital and related financing activities.	(23,404)
	<hr/>
Cash flows from investing activities:	
Interest received	494
	<hr/>
Net cash provided by investing activities	494
	<hr/>
Net increase in cash and cash equivalents	107,769
Cash and cash equivalents at beginning of year	540,306
Cash and cash equivalents at end of year	\$ 648,075
	<hr/> <hr/>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (43,286)
Adjustments:	
Depreciation	8,352
Changes in assets and liabilities:	
Increase in accounts payable.	218
Increase in accrued wages and benefits	5,349
Increase in intergovernmental payable	10,574
Increase in compensated absences payable	5,686
(Decrease) in pension obligation payable	(124)
	<hr/>
Net cash used in operating activities	\$ (13,231)
	<hr/> <hr/>

Noncash Transactions:

The Academy purchased \$2,573 in capital assets on account at June 30, 2014.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE ACADEMY

The Par Excellence Academy, Licking County, Ohio (the “Academy”) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702, to maintain and provide an Academy exclusively for any educational, literary, scientific and related teaching service, that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy’s tax exempt status. The Academy’s objective is to deliver a unique opportunity for students who show a strong interest or talent in the visual arts which can be delivered to students in grades Kindergarten through 3rd grade. It is to be operated in cooperation with the public schools to provide an appreciation of the visual arts through studies of its history, theory and design. The Academy, which is part of the State’s education program, is nonsectarian in its programs, admissions policies, employment practices, and all other operations. The Academy may acquire facilities as needed and contract for any services necessary for the operation of the school.

The Academy was approved for operation under a contract with the Newark City School District (the “Sponsor”) for the period July 1, 2011 through June 30, 2014. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. During fiscal year 2014, the Academy paid \$22,954 in sponsorship fees to the Newark City School District. The Academy is considered a component unit of the Newark City School District for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61.

The Academy operates under the direction of a self-appointed nine-member Board of Trustees. 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 Board controls the Academy’s one instructional/support facility staffed by 7 non-certified staff members and 13 certified full time teaching personnel who provide services to 130 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements 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 District’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.

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

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

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

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

B. Measurement Focus and Basis of Accounting

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources are included on the statement of net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

C. 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 Section 5705, except House Bill 364, which took effect April 8, 2003, added Ohio Rev. Code Section 3314.03 (11) (d), which states that community schools must comply with Ohio Rev. 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.

D. Cash

All monies received by the Academy are deposited into demand deposit accounts.

E. 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, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The Academy had no capital related debt at June 30, 2014. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. 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 amount restricted for other purposes represents amounts restricted for school support and other local sources.

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

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

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

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

F. Intergovernmental Revenue

The Academy currently participates in the State Foundation Program, the K12 Connectivity grant, the IDEA B grant, the Title I grant, and the Title IIA grant. Revenue from the State Foundation Program is recognized as operating revenue in the accounting period in which all eligibility requirements have been met. Amounts awarded under State Foundation Program for the 2014 school year excluding federal and State grants totaled \$1,018,187.

Revenues received from the remaining programs are recognized as non-operating revenues in the accompanying financial statements. 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. State and federal grants revenue for the fiscal year 2014 received was \$108,502.

In addition, the Academy received \$3,550 in local contributions and donations during fiscal year 2014.

G. 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.

H. Compensated Absences

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. The Academy does not have a policy regarding the payment of unused sick leave for termination (severance) benefits; therefore, a liability is not accrued for unused sick leave at fiscal year-end. The Academy does have a policy that allows employees to carry over or be compensated for unused vacation leave at fiscal year-end; therefore a liability has been recorded for unused vacation leave at fiscal year-end.

See Note 7 for the Academy's liability for compensated absences at fiscal year-end and Note 11 for further detail on the compensated absences policies.

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

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

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

I. 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 maintains a capitalization threshold of \$1,000. The Academy does not have any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30 years
Equipment	5 - 20 years

NOTE 3 - 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.

NOTE 4 - DEPOSITS

At June 30, 2014, the carrying amount of all Academy deposits was \$648,075. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2014, \$349,791 of the Academy's bank balance of \$651,791 was exposed to custodial risk as discussed below, while \$302,000 was covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial credit risk is the risk that, in the event of bank failure, the Academy's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Academy. The Academy has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Academy to a successful claim by the FDIC.

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

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

NOTE 5 - RECEIVABLES

Receivables at June 30, 2014 consisted of accounts (billings for user charged services and student fees) and intergovernmental grants. A summary of the principal items of receivables reported on the statement of net position follows:

Accounts	\$ 2,653
Intergovernmental	39,158
Total	<u>\$ 41,811</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year.

NOTE 6 - PURCHASED SERVICES

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

Professional services	\$ 80,593
Property rental and services	23,948
Travel, mileage and meetings	1,935
Communications	54,394
Utilities	22,954
Contracted craft or trade services	13,982
Other purchased services	<u>33,552</u>
Total purchased services	<u>\$ 231,358</u>

NOTE 7 - LONG-TERM OBLIGATIONS

The Academy's long-term obligations during fiscal year 2014 were as follows:

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
Loan payable	\$ 21,415	\$ -	\$ (21,415)	\$ -	\$ -
Compensated absences	<u>4,234</u>	<u>9,920</u>	<u>(4,234)</u>	<u>9,920</u>	<u>9,920</u>
Total long-term liabilities	<u>\$ 25,649</u>	<u>\$ 9,920</u>	<u>\$ (25,649)</u>	<u>\$ 9,920</u>	<u>\$ 9,920</u>

Loan payable - On September 2, 2011, the Academy obtained a loan from Park National Bank for the purchase of the Maholm Elementary building (96 Maholm Street, Newark, Ohio) that it had previously leased. The loan had an interest rate of 5.75% and was originally scheduled to mature on September 2, 2016. During fiscal year 2014, the Academy repaid the loan in full and there is no outstanding balance at June 30, 2014.

Compensated absences – represents the balance of earned but unused vacation time at fiscal year-end.

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

NOTES TO THE 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 June 30, 2013	Additions	Disposals	Balance June 30, 2014
<i>Capital assets, not being depreciated:</i>				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Non-depreciable capital assets	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
<i>Capital assets, being depreciated:</i>				
Buildings	142,000	-	-	142,000
Equipment	<u>102,540</u>	<u>4,073</u>	<u>-</u>	<u>106,613</u>
Depreciable capital assets	<u>244,540</u>	<u>4,073</u>	<u>-</u>	<u>248,613</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(8,677)	(4,733)	-	(13,410)
Equipment	<u>(93,835)</u>	<u>(3,619)</u>	<u>-</u>	<u>(97,454)</u>
Total accumulated depreciation	<u>(102,512)</u>	<u>(8,352)</u>	<u>-</u>	<u>(110,864)</u>
Governmental activities capital assets, net	<u>\$ 152,028</u>	<u>\$ (4,279)</u>	<u>\$ -</u>	<u>\$ 147,749</u>

NOTE 9 - 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 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 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 \$18,831, \$19,656 and \$18,115, respectively; 92.63 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

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

NOTE 9 - PENSION PLANS - (Continued)

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, 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.

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 \$59,121, \$56,057 and \$57,610, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012. The Academy made no contributions to the DC or Combined Plans for fiscal year 2014.

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. As of June 30, 2014 certain members of the Board of Trustees have elected Social Security. The Academy's liability is 6.2 percent of wages paid.

**PAR EXCELLENCE ACADEMY
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LICKING COUNTY, OHIO**

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

NOTE 10 - 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, under "Employers/Audit Resources".

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 \$2,163, \$2,109 and \$2,565, respectively; 92.63 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

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

NOTE 10 - POSTEMPLOYMENT BENEFITS - (Continued)

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 \$1,092, \$1,110 and \$1,070, respectively; 92.63 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 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, 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 \$4,548, \$4,312 and \$4,432, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

NOTE 11 - COMPENSATED ABSENCES

Employees accumulate sick leave at a rate of 5 days per year. Unused sick leave may accumulate up to 30 days. Some employees accumulate vacation leave at a rate of up to 14 days per year. Unused vacation leave may accumulate up to a maximum of 20 days. A liability for unused vacation leave at June 30 is recorded on the statement of net position.

NOTE 12 - 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. The Academy maintains insurance coverage for its building, theft, general liability, contents liability, employee dishonesty, forgery, and computer equipment. The Academy owns the building and land on which it is located at 96 Maholm Street, Newark, Ohio 43055.

Settled claims have not exceeded commercial coverage in the past three years. There was no significant reduction from the prior year.

**PAR EXCELLENCE ACADEMY
(A COMPONENT UNIT OF NEWARK CITY SCHOOL DISTRICT)
LICKING COUNTY, OHIO**

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

NOTE 12 - RISK MANAGEMENT - (Continued)

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 13 - CONTINGENCIES

A. Grants

The Academy 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 of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the Academy at June 30, 2014, if applicable, cannot be determined at this time.

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 fiscal year 2014 review has not been completed as of the date of this report; however, the Academy does not anticipate a material impact on the financial statements as a result of the review.

C. Litigation

The Academy is not involved in any litigation that, in the opinion of management, would have a material effect on the financial statements.

NOTE 14 - SERVICE AGREEMENT

The Academy entered into a one-year contract on July 20, 2013 with Licking Area Computer Association (LACA) for certain computer, data processing and application services for the fiscal year ended June 30, 2014. Under this contract, the following terms were agreed upon:

1. LACA shall provide fiscal administration services, including access to financial software through OECN, electronic filing of data, user training, software upgrades, disaster recovery, EMIS compliance procedures and providing staff and resources to support the business process.
2. LACA shall provide student administration systems, including access to the Student Information System (SIS), data archival and retrieval support, help desk support, and preprinted forms needed for grade cards, schedule cards, grade scans and transcripts.

**PAR EXCELLENCE ACADEMY
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LICKING COUNTY, OHIO**

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

NOTE 14 - SERVICE AGREEMENT - (Continued)

3. LACA shall provide EMIS system and services, including access to State EMIS software, interface to SIS and OECN financial software, creation and use of custom user defined reports, and district report card assistance.
4. LACA shall provide library services, including access to INFOhio Library Automation software, INFOhio electronic resource support, and INFOhio compliance procedures.
5. LACA shall provide video distance learning services, including coordinating, developing and delivering local professional development activities, daily management and troubleshooting of video network, technical training, and troubleshooting and coordination of specific video related hardware.
6. The fees for the services provided are based on a base fee plus a fee per student which vary per type of service. The total fee is \$24.33 per student.

For fiscal year 2014, \$3,016 was paid to LACA for services related to the service agreement. To obtain LACA's audited June 30, 2014 financial statements; please contact Mr. Jon Bowers, Executive Director, 150 South Quentin Rd., Newark, Ohio 43055.

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

Par Excellence Academy
Licking County
96 Maholm Street
Newark, Ohio 43055

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 the Par Excellence Academy, Licking County, (the Academy), a component unit of the Newark City School District, 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 and have issued our report thereon dated December 5, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Academy'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 Academy'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 Academy'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. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a significant deficiency in internal control. We consider finding 2014-001 to be a significant deficiency.

Compliance and Other Matters

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

Purpose of this Report

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

Kennedy Cottrell Richards LLC

Kennedy Cottrell Richards LLC

December 5, 2014

**PAR EXCELLENCE ACADEMY
LICKING COUNTY**

**SCHEDULE OF FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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2014-001 INTERNAL CONTROLS OVER RECEIPTS AND DISBURSEMENTS

Management and the Board are charged with the responsibility of developing and maintaining a system of internal controls over receipts and disbursements. A sound internal control structure is one capable of providing management with assurance that transactions are processed accurately and completely. To achieve this desired assurance, the internal control structure must promote the timely and consistent application of internal control procedures and require that said procedures be adequately documented to evidence their application. A well-developed internal control system should include procedures to detect errors and irregularities in a timely manner and ensure transactions are properly authorized, reported and supported by appropriate documentation.

During our audit, we developed an understanding of the Academy's internal control procedures and noted the following:

- The Academy does not maintain sufficient documentation to evidence the performance of internal controls designed and implemented to ensure the accuracy and completeness of miscellaneous receipts, including book fairs, fundraisers and school fees.
- The Academy does not perform a detailed review of the Treasurer's credit card transactions to ensure appropriateness and proper public purpose is not being performed.
- For one of four Administrator credit card payments selected for testing, the Administrator's transactions were not reviewed by appropriate personnel to ensure appropriateness and proper public purpose.
- For the one significant nonpayroll payment selected for testing, the Academy was unable to provide an invoice to support the payment.
- The Academy does not maintain sufficient documentation to evidence the review of hourly employee timesheets to ensure accuracy and completeness.

The weaknesses noted above increase the risk that fraud or errors could occur and not be detected in a timely manner. In addition, the lack of documentation and consistent application of controls results in management's inability to obtain assurance that transactions are appropriate, serve a proper public purpose, and are processed accurately and completely.

We recommend the Academy design and implement internal control procedures capable of ensuring transactions are processed accurately and completely. In addition, we recommend the Academy implement monitoring procedures to provide management with assurance that internal controls are applied consistently and are adequately documented.

Officials Response

- The Academy will maintain documentation to evidence controls in place over fund raisers, book fair and school fees.
- The Academy Treasurer's credit card transactions will be submitted to the Board for their approval for each transaction.

**PAR EXCELLENCE ACADEMY
LICKING COUNTY**

**SCHEDULE OF FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

- The credit card for the Director is reviewed monthly by the Treasurer to ensure each transaction is appropriate and a proper public purpose. The Academy will also implement a process so that each credit card transaction has two signatures of approval before it is reviewed by the Treasurer.
- The Academy will ensure that all future non-payroll transactions have a detailed invoice attached and a signature of approval on it.
- The Academy will submit all payroll time sheets with the supervisor's signature of approval to the Treasurer.

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Dave Yost • Auditor of State

PAR EXCELLENCE ACADEMY

LICKING 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
JANUARY 08, 2015**