ACADEMY FOR EDUCATIONAL EXCELLENCE
LUCAS COUNTY

REGULAR AUDIT

FOR THE FISCALYEAR ENDED JUNE 30, 2015

Dave Yost • Auditor of State

ACADEMY FOR EDUCATIONAL EXCELLENCE
LUCAS COUNTY

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INDEPENDENT AUDITOR'S REPORT

Academy for Educational Excellence
Lucas County
728 Parkside Boulevard
Toledo, Ohio 43607-3858

To the Governing Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the Academy for Educational Excellence, Lucas County, Ohio (the Academy), as of and for the year ended June 30, 2015, 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 the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Academy for Educational Excellence, Lucas County, Ohio, as of June 30, 2015, and the changes in 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2015, the Academy adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. We did not modify our opinion regarding this matter.

Other Matters

The Academy has suffered recurring losses from operations and has a net position deficiency of $1,071,370 as of June 30, 2015. Based solely on inquiries and scanning of unaudited fund cash balances as of October 4, 2016, the Academy may require additional revenue or cost-cutting measures to continue paying its obligations. The notes to the financial statements do not disclose this matter; however it does not affect our opinion on these financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions 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 October 4, 2016, 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.

Dave Yost

Dave Yost
Auditor of State

Columbus, Ohio

October 4, 2016

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ACADEMY FOR EDUCATIONAL EXCELLENCE
LUCAS COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

The discussion and analysis of the Academy for Educational Excellence's (the "Academy") financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- In total, the Academy's net position decreased $95,356, from a restated deficit of $976,014 to a deficit of $1,071,370.

- The Academy had operating revenues of $620,906 and operating expenses of $896,296 during fiscal year 2015. The Academy also recognized non-operating revenue of $180,285 from federal and State grants and entitlements and donations and non-operating expenses of $251 during the year.

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 the Academy perform financially during 2015? The Statement of Net Position and the 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 accounting used by most private-sector companies. This basis of accounting takes into account all current year 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. The change in net position is important because it tells the reader the extent to which the financial position of the Academy as a whole has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

The Statement of Cash Flows provides information about how the Academy finances and meets the cash flow needs of its operations.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

In addition to the basic financial statements and accompanying notes, this report as presents certain required supplementary information concerning the Academy's net pension liability. The table below provides a summary of the Academy's net position for fiscal year 2015 and 2014. The net position at June 20, 2014 has been restated as described in Note 3.

Net Position

	2015	Restated 2014
Assets		
Current assets	$ 31,144	$ 26,913
Non-current assets	26,418	35,311
Total assets	57,562	62,224
Deferred outflows	46,953	32,723
Liabilities		
Current liabilities	282,573	246,060
Long-term liabilities:		
Due within one year	233,928	159,944
Net pension liability	556,629	661,544
Other amounts due in more than one year	1,893	3,413
Total liabilities	1,075,023	1,070,961
Deferred inflows	100,862	-
Net Position		
Net investment in capital assets	8,355	14,727
Unrestricted (deficit)	(1,079,725)	(990,741)
Total net position (deficit)	$ (1,071,370)	$ (976,014)

During 2015, the Academy adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting;

however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from a deficit of $347,193 to a deficit of $976,014.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2015, the Academy's net position totaled a deficit of $1,071,370, which is a decrease of $95,356 from the Academy's restated net position at June 30, 2014 of a deficit of $976,014.

At June 30, 2015, capital assets represented 45.89 percent of total assets. Capital assets are used to provide services to students and are not available for future spending. Capital assets consist of furniture, fixtures and equipment and vehicles.

The table below shows the changes in net position for the fiscal year 2015 and fiscal year 2014.

Change in Net Position

	2015	2014
Operating Revenues:		
State foundation	$ 612,238	$ 555,272
Other	8,668	10,041
Total operating revenue	620,906	565,313
Operating Expenses:		
Salaries and wages	315,984	325,594
Fringe benefits	27,007	79,339
Purchased services	510,599	224,136
Materials and supplies	12,429	74,475
Other	21,384	9,386
Depreciation	8,893	8,893
Total operating expenses	896,296	721,823
Non-Operating Revenues (Expenses):		
Federal and State grants	179,785	67,051
Donations	500	-
Interest and fiscal charges	(251)	(602)
Total non-operating revenues (expenses)	180,034	66,449
Change in net position	(95,356)	(90,061)
Net position (deficit) at beginning of year	(976,014)	n/a
Net position (deficit) at end of year	$ (1,071,370)	$ (976,014)

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 operating expenses still include pension expense of $32,723 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of $23,416. Consequently, in order to compare 2015 total operating expenses to 2014, the following adjustments are needed:

Total 2015 operating expenses under GASB 68	$ 896,296
Pension expense under GASB 68	(23,416)
2015 contractually required contributions	41,699
Adjusted 2015 operating expenses	914,579
Total 2014 operating expenses under GASB 27	687,774
Increase in operating expenses not related to pension	$ 226,805

The revenue generated by community schools is heavily dependent upon the per-pupil allotment determined by the State foundation program and federal entitlement programs. Foundation payments amounted to 76.42 percent of total revenues received during fiscal year 2015.

Debt Administration

At June 30, 2015, the Academy's long term obligations included a capital lease obligation for copier equipment of $3,413, notes payable of $27,827 and other liabilities related to long-term accounts payable of $204,581. See Note 11 in the notes to the basic financial statements for further detail relating to the Academy's long term obligations.

Capital Assets

At June 30, 2015, the Academy had $26,418 in capital assets, net of accumulated depreciation. The Academy had $8,893 in depreciation expense and did not have any capital asset additions or disposals during the year. The Academy's capital assets consist of equipment and vehicles. See Note 12 in the notes to the basic financial statements for further detail relating to the Academy's capital assets.

Current Financial Related Activities

The Academy is reliant upon State Foundation monies and State Grants to offer quality educational services to students.

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

Contacting the Academy's Financial Management

This financial report is designed to provide a general overview of the Academy for Educational Excellence'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 Cynthia Mercer, MAC Financial Service, Inc. 327 Foundry Hill Rd., Salineville, Ohio 43945 or by phone at (330) 284-8490.

ACADEMY FOR EDUCATIONAL EXCELLENCE
LUCAS COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2015

Assets:	
Current assets:	
Equity in pooled cash	
and cash equivalents	$ 6,554
Receivables:	
Accounts	150
Intergovernmental	17,423
Prepayments	7,017
Total current assets	31,144
Non-current assets:	
Depreciable capital assets, net	26,418
Total assets	57,562
Deferred outflows of resources:	
Pension - STRS	38,879
Pension - SERS	8,074
Total deferred outflows of resources	46,953
Liabilities:	
Current liabilities:	
Accounts payable	214,189
Accrued wages and benefits	60,189
Pension and post employment benefit	
obligation payable	2,461
Intergovernmental payable	5,734
Total current liabilities	282,573
Non-current liabilities:	
Due within one year	233,928
Net pension liability	556,629
Other amounts due in more than one year	1,893
Total non-current liabilities	792,450
Total liabilities	1,075,023
Deferred inflows of resources:	
Pension - STRS	85,732
Pension - SERS	15,130
Total deferred inflows of resources	100,862
Net position:	
Investment in capital assets	8,355
Unrestricted (deficit)	(1,079,725)
Total net position (deficit)	$ (1,071,370)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ACADEMY FOR EDUCATIONAL EXCELLENCE
LUCAS COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Operating revenues:	
Foundation revenue	$ 612,238
Other	8,668
Total operating revenues	620,906
Operating expenses:	
Salaries and wages	315,984
Fringe benefits	27,007
Purchased services	510,599
Materials and supplies	12,429
Other	21,384
Depreciation	8,893
Total operating expenses	896,296
Operating loss	(275,390)
Non-operating revenues (expenses):	
Federal and State operating grants	179,785
Donations	500
Interest and fiscal charges	(251)
Total nonoperating revenues (expenses)	180,034
Change in net position	(95,356)
Net position (deficit) at beginning of year (restated).	(976,014)
Net position (deficit) at end of year	$ (1,071,370)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ACADEMY FOR EDUCATIONAL EXCELLENCE
LUCAS COUNTY, OHIO

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cash flows from operating activities:	
Cash received from State foundation	$ 610,056
Cash received from other operations	8,668
Cash payments for salaries and wages	(325,984)
Cash payments for fringe benefits	(61,771)
Cash payments for contractual services	(367,767)
Cash payments for materials and supplies	(16,381)
Cash payments for other expenses	(17,683)
Net cash used in operating activities	(170,862)
Cash flows from noncapital financing activities:	
Federal and State operating grants	181,946
Donations	500
Net cash provided by noncapital financing activities	182,446
Cash flows from capital and related financing activities:	
Interest and fiscal charges	(251)
Principal retirement on capital lease	(2,521)
Principal retirement on notes payable	(6,000)
Net cash used in capital and related financing activities	(8,772)
Net increase in cash and cash equivalents	2,812
Cash and cash equivalents at beginning of year	3,742
Cash and cash equivalents at end of year	$ 6,554
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (275,390)
Adjustments:	
Depreciation	8,893
Changes in assets and liabilities:	
Increase in accounts receivable	(150)
Decrease in intergovernmental receivable	2,788
Decrease in prepayments	(6,218)
Increase in accounts payable	64,715
Increase in other long-term payable	80,985
Decrease in accrued wages and benefits	(9,850)
Decrease in intergovernmental payable	(11,903)
Decrease in pension obligation payable	(6,449)
Decrease in net pension liability	(104,915)
Increase in deferred outflows - pensions	(14,230)
Increase in deferred inflows - pensions	100,862
Net cash used in operating activities	$ (170,862)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE ACADEMY

The Academy for Educational Excellence (the "Academy") is a non-profit corporation established pursuant to the Ohio Revised Code Chapters 1702 and 3314 to serve students in grades Kindergarten through 3 and ages 5 through 9. The Academy focuses on literacy and technology. The Academy is nonsectarian in its programs, admission policies, employment practices and all other operations.

The Academy was approved for sponsorship under contract resolution on March 15, 2012 with North Central Ohio Educational Service Center (the "Sponsor") for a period of five years commencing on July 1, 2012. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The Academy operates under the direction of a five-member Governing Board. The Governing Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, State-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The Board of Directors controls the Academy's one instructional/support facility staffed by 2 non-certified and 24 certified teaching personnel who provide services to 121 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Academy have been prepared in conformity with generally accepted accounting principles as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Academy's accounting policies are described below.

A. Basis of Presentation

The Academy's basic financial statements consists of a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows.

The Academy uses enterprise accounting to maintain its financial records during the fiscal year. Enterprise accounting focuses on the determination of operating income, changes in net 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 or services.

B. Measurement Focus and Basis of Accounting

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

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

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized for reporting purposes. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Revenues resulting from non-exchange transactions, in which the Academy received value without directly giving equal value in return, such as grants, entitlements, and donations are recognized in the period in which all eligibility requirements have been satisfied. Expenses are recognized at the time they are incurred.

C. Budgetary Process

Unlike traditional public Schools located in the State of Ohio, community Schools are not required to follow budgetary provisions set forth in Ohio Rev. Code Section 5705, unless specifically provided in the Academy's contract with its Sponsor. The contract between the Academy and its Sponsor requires a detailed Academy budget for each year of the contract; however, the budget does not have to follow the provisions of Ohio Rev. Code Section 5705.

D. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Academy, deferred outflows of resources have been reported for the following two items related the Academy's net pension liability: (1) the difference between expected and actual experience of the pension systems, and (2) the Academy's contributions to the pension systems subsequent to the measurement date.

E. Cash and Cash Equivalents

All cash received by the Academy is maintained in demand deposit accounts. The Academy did not have any investments during fiscal year 2015.

F. Capital Assets and Depreciation

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The Academy maintains a capitalization threshold of $1,500. The Academy does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

Description	Estimated Life
Equipment	5 - 10 years
Vehicles	7 years

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

G. Intergovernmental Revenues

The Academy currently participates in the State Foundation Program, which includes Economic Disadvantaged Funding and Limited English Proficiency Funding, which are reflected under “state foundation” on the statement of revenues, expenses and changes in net position. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

Non-exchange transactions, in which the Academy receives value without directly giving equal value in return, include grants, entitlements, and contributions. Grants, entitlements, and contributions are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met.

Eligibility requirements, include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Academy must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

H. Operating Revenues and Expenses

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.

I. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component “net 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. 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 Academy applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (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 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in the statement of net position. These items are reported as assets on the statement of net position using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expense is reported in the year in which services are consumed.

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net positon have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles/Restatement of Net Position

For fiscal year 2015, the Academy has implemented GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*", GASB Statement No. 69 "*Government Combinations and Disposals of Government Operations*", and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*".

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement

No. 69 did not have an effect on the financial statements of the Academy.

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 affected the Academy's pension plan disclosures, as presented in Note 8, and added required supplementary information which is presented after the notes to the financial statements.

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities.

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE - (Continued)

A net position restatement is required in order to implement GASB Statement No 68 and 71. The net position at July 1, 2014 has been restated as follows:

Net position (deficit) as previously reported	$	(347,193)
Deferred outflows - payments subsequent to measurement date		32,723
Net pension liability		(661,544)
Restated net position (deficit) at July 1, 2014	$	976,014

Other than employer contributions subsequent to the measurement date, the Academy made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Contrary to Ohio Law the Academy failed to remit employer's share due to SERS for certain part-time employees.

Contrary to Ohio Law the Academy failed to withhold and remit employees' share due to SERS for certain part-time employees.

NOTE 4 - DEPOSITS

At June 30, 2015, the carrying amount of all Academy deposits was $6,554. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2015, all of the Academy's bank balance of $10,514, was covered by the Federal Deposit Insurance Corporation (FDIC).

The Academy had no investments.

NOTE 5 - 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. During fiscal year 2015, the Academy contracted with Citizens Insurance Company for general liability and property insurance and professional liability, and auto.

NOTE 5 - RISK MANAGEMENT – (Continued)

Coverage is as follows:

Commercial General Liability per occurrence	$1,000,000
Commercial General Liability aggregate	2,000,000
Fire Damage Limit, Any One Fire	500,000
Personal and Advertising Injury Limit	1,000,000
Property Damage	100,000
School and Educators Liability	3,000,000
Business Automobile	1,000,000

B. Workers' Compensation

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

NOTE 6 - RECEIVABLES

Receivables at June 30, 2015, consisted of intergovernmental receivables arising from grants and entitlements receivable and accounts receivable. All receivables are considered collectible in full. A summary of the intergovernmental receivables follows:

Intergovernmental receivable:	Amount
IDEA Part-B	$ 1,144
Title I	16,139
Ohio Department of Education	140
Total intergovernmental receivables	$ 17,423

NOTE 7 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Academy's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

NOTE 7 - DEFINED BENEFIT PENSION PLANS – (Continued)

Ohio Revised Code limits the Academy's obligation for this liability to annually required payments. The Academy cannot control benefit terms or the manner in which pensions are financed; however, the Academy does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *pension obligation payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description –Academy non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The Academy's contractually required contribution to SERS was $7,281 for fiscal year 2015.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – Academy licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. 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 DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability 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 – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The Academy was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The Academy's contractually required contribution to STRS was $34,418 for fiscal year 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Academy's proportion of the net pension liability was based on the Academy's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	$ 93,223	$ 463,406	$ 556,629
Proportion of the Net Pension Liability	0.001842%	0.0019052%	
Pension Expense	$ 5,440	$ 17,976	$ 23,416

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2015, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 793	$ 4,461	$ 5,254
Academy contributions subsequent to the measurement date	7,281	34,418	41,699
Total Deferred Outflows of Resources	$ 8,074	$ 38,879	$ 46,953
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 15,130	$ 85,732	$ 100,862
Total Deferred Inflows of Resources	$ 15,130	$ 85,732	$ 100,862

$41,699 reported as deferred outflows of resources related to pension resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2016	$ (3,585)	$ (20,318)	$ (23,903)
2017	(3,585)	(20,318)	(23,903)
2018	(3,585)	(20,318)	(23,903)
2019	(3,582)	(20,317)	(23,899)
Total	$ (14,337)	$ (81,271)	$ (95,608)

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	100.00 %	

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Academy's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Academy's proportionate share of the net pension liability	$ 133,001	$ 93,223	$ 59,766

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

NOTE 7 - DEFINED BENEFIT PENSION PLANS - (Continued)

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

Sensitivity of the Academy's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Academy's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the Academy's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Academy's proportionate share of the net pension liability	$ 663,416	$ 463,406	$ 294,264

NOTE 8 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Health Care Plan Description - The Academy contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) 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 as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was $20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge.

The Academy's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were $453, $930, and $78, respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

B. State Teachers Retirement System

Plan Description – The Academy participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 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. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be

NOTE 8 - POSTEMPLOYMENT BENEFITS - (Continued)

deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The Academy's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were $0, $2,483, and $2,063 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

NOTE 9 - OPERATING LEASE

Midwest Creative Investment has leased property and a portion of a building to the Center for Educational Excellence. The Center of Educational Excellence has subleased the property and portion of the building to the North Central Ohio Educational Service Center, the Sponsor for the conversion Academy - The Academy of Educational Excellence. The North Central Ohio Educational Service Center has subleased the property and the portion of the building to the Academy of Educational Excellence for the operation of the Academy's facility, for a term beginning September 1, 2012 through August 31, 2017. This agreement is, in substance, a rental agreement (operating lease) and is classified as purchased services in the financial statements. The Lessees obligation is $7,314 per month, 90% of all utilities, $1,000 annually for repair expenses, and all of the outside maintenance expenses.

NOTE 10 - CAPITAL LEASE - LESSEE DISCLOSURE

In a prior fiscal year, the Academy entered into a capital lease for copier equipment. Principal payments made totaled $2,521 for fiscal year 2015.

The following is a schedule of the future minimum lease payments required under the capital lease and present value of the minimum lease payments as of June 30, 2015:

Fiscal Year Ending June 30,	Payments
2016	$ 1,683
2017	1,684
2018	281
Total minimum lease payments	3,648
Less: amount representing interest	(235)
Total	$ 3,413

NOTE 11 - LONG-TERM OBLIGATIONS

The long-term obligations have been restated as described in Note 3. The Academy's long-term obligations during the fiscal year consist of the following:

	Balance 7/1/2014	Additions	Reductions	Balance 6/30/2015	Due in One Year
Capital Lease Obligation	$ 5,934	$ -	$ (2,521)	$ 3,413	$ 1,520
Net pension obligations	661,544	-	(104,915)	556,629	-
Other Long-Term Payables	122,285	82,296	-	204,581	204,581
Notes Payable:					
Ann Harris Superintendent/Founder	22,764	-	(6,000)	16,764	16,764
Center for Educational Excellence, Inc.	5,949	-	-	5,949	5,949
Learners for Life Child Development, Inc.	6,410	-	(1,311)	5,099	5,099
Allison Cox Co-Founder	15	-	-	15	15
Total Notes Payable	35,138	-	(7,311)	27,827	27,827
Total Long-Term Obligations	$ 824,901	$ 82,296	$ (114,747)	$ 792,450	$ 233,928

See Note 8 for detail on the net pension liability.

See Note 10 for detail on the capital lease obligation.

The Superintendent/founder reduced her pay by fifty percent for a portion of fiscal year 2013. This resulted in salary payments of $42,614 less than her approved annual salary for fiscal year 2013. This is included as part of accrued wages payable. This payment will be made when the Academy is in an appropriate financial position.

NOTE 12 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance 6/30/14	Additions	Deductions	Balance 06/30/15
Capital assets, being depreciated:				
Equipment	$ 34,001	$ -	$ -	$ 34,001
Vehicles	14,650	-	-	14,650
Total capital assets being depreciated	48,651	-	-	48,651
Less: accumulated depreciation				
Equipment	(10,200)	(6,800)	-	(17,000)
Vehicles	(3,140)	(2,093)	-	(5,233)
Total accumulated depreciation	(13,340)	(8,893)	-	(22,233)
Capital assets, net	$ 35,311	$ (8,893)	$ -	$ 26,418

NOTE 13 - CONTRACTS

A. Sponsor Contract

The Academy entered into a sponsorship contract commencing on July 1, 2012 and ending on June 30, 2017 with North Central Ohio Educational Service Center.

The Sponsor shall carry out the responsibilities established by law, including:

- Provide technical assistance and monitor the Academy's compliance with all laws applicable to the Academy and with the terms of this contract;
- Monitor and evaluate the academic and fiscal performance and the organization of the Academy on at least an annual basis;
- Report on at least an annual basis the results of the evaluation conducted to the Ohio Department of Education and to the parents/guardians of students enrolled in the Academy;
- Take steps to intervene in the Academy's operation to correct problems in the Academy's overall performance, declare the Academy to be on probationary status pursuant to Ohio Revised Code Section 3314.073, suspend operation of the Academy pursuant to Ohio Revised Code Section 3314.072, or terminate or non-renew the contract pursuant to Ohio Revised Code Section 3314.07, as determined necessary by the Sponsor;
- Develop a plan of action to be undertaken if the Academy experiences financial difficulties or closes prior to the end of the year;
- Evaluate the performance of the Academy according to standards set forth in the Assessment and Accountability Plan;
- Support the Academy's establishment and operation as determined to be appropriate by the Sponsor at the Sponsor's sole discretion;
- Notify the Academy within five business days of complaints or correspondence from the Ohio Department of Education concerning the Academy; and,
- Comply with the procedures for resolving disputes or differences of opinion between it and the Academy as set forth in the Governance and Administrative Plan.

B. Service Contract

The Academy entered into a service contract commencing on July 1, 2014 and ending on June 30, 2015 with MAC Financial Services ("MAC"), to provide fiscal consulting services. The Academy will pay MAC $1,800 per month plus reimbursement for business. The Academy paid MAC $21,600 during fiscal year 2015 and recorded $21,600 as accounts payable for these services.

NOTE 14 - PURCHASED SERVICES

For fiscal year 2015, purchased services expenses were payments for services rendered by various vendors, as follows:

Professional and technical services	$ 151,974
Property services	199,082
Communications	2,240
Utilities	106,825
Contracted services	44,875
Other	5,603
Total	$ 510,599

NOTE 15 - RELATED PARTIES

The Center for Educational Excellence Inc. (CEE) in which Ann Harris, the Superintendent/founder of the Academy is an Official. The CEE has paid $27,887 of the Academy's Development expenses as well as other expenses, in which $5,949 is Payable to the CEE by the Academy.

Learners for Life Child Development Center Inc. in which Ann Harris, the Superintendent/founder of the Academy is an Official, has paid expenses on behalf of the Academy, in which $5,099 is Payable to Learners for Life Child Development Center by the Academy.

Allison Cox, a Co-founder of the Academy has paid for expenses on behalf of the Academy, in which $15 is Payable to Allison Cox by the Academy.

NOTE 16 - CONTINGENCIES

A. Grants

Amounts grantor agencies pay to the Academy are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

B. 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 16 – CONTINGENCIES – (Continued)

C. State Foundation Funding

The Ohio Department of Education (ODE) conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the School. These reviews are conducted to ensure the Academy is reporting accurate student enrollment data to the State, upon which state foundation funding is calculated.

As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the Academy; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the Academy

NOTE 17 - CONTINUED EXISTENCE

The Academy has encountered difficulties paying its obligations to vendors in a timely manner. The Academy had a deficit net position of $1,071,370 at June 30, 2015. The change in net position for fiscal year 2015 was a deficit of $95,356. Total liabilities at June 30, 2015 were $1,075,023.

ACADEMY FOR EDUCATIONAL EXCELLENCE
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TWO FISCAL YEARS

	2014	2013
Academy's proportion of the net pension liability	0.00184200%	0.00184200%
Academy's proportionate share of the net pension liability	$ 93,223	$ 109,538
Academy's covered-employee payroll	$ 53,521	$ 48,526
Academy's proportionate share of the net pension liability as a percentage of its covered-employee payroll	174.18%	225.73%
Plan fiduciary net position as a percentage of the total pension liability	71.70%	65.52%

Note: Information prior to fiscal year 2013 was unavailable.

Amounts presented as of the Academy's measurement date which is the prior fiscal year end.

ACADEMY FOR EDUCATIONAL EXCELLENCE
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TWO FISCAL YEARS

	2014	2013
Academy's proportion of the net pension liability	0.00190518%	0.00190518%
Academy's proportionate share of the net pension liability	$ 463,406	$ 552,006
Academy's covered-employee payroll	$ 194,654	$ 206,300
Academy's proportionate share of the net pension liability as a percentage of its covered-employee payroll	238.07%	267.57%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	69.30%

Note: Information prior to fiscal year 2013 was unavailable.

Amounts presented as of the Academy's measurement date which is the prior fiscal year end.

ACADEMY FOR EDUCATIONAL EXCELLENCE
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF ACADEMY CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST THREE FISCAL YEARS

	2015	**2014**	**2013**
Contractually required contribution	$ 7,281	$ 7,418	$ 6,716
Contributions in relation to the contractually required contribution	(7,281)	(7,418)	(6,716)
Contribution deficiency (excess)	$ -	$ -	$ -
Academy's covered-employee payroll	$ 55,243	$ 53,521	$ 48,526
Contributions as a percentage of covered-employee payroll	13.18%	13.86%	13.84%

Note: The Academy's first year of operation was 2013; therefore information prior to 2013 is not applicable

ACADEMY FOR EDUCATIONAL EXCELLENCE
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF ACADEMY CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST THREE FISCAL YEARS

	2015	2014	2013
Contractually required contribution	$ 34,418	$ 25,305	$ 26,819
Contributions in relation to the contractually required contribution	(34,418)	(25,305)	(26,819)
Contribution deficiency (excess)	$ -	$ -	$ -
Academy's covered-employee payroll	$ 245,843	$ 194,654	$ 206,300
Contributions as a percentage of covered-employee payroll	14.00%	13.00%	13.00%

Note: The Academy's first year of operation was 2013; therefore information prior to 2013 is not applicable

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal year 2014 and 2015.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014 and 2015. See the notes to the basic financials for the methods and assumptions in this calculation.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal year 2014 and 2015.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014 and 2015. See the notes to the basic financials for the methods and assumptions in this calculation.

Dave Yost • Auditor of State

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

Academy for Educational Excellence
Lucas County
728 Parkside Boulevard
Toledo, Ohio 43607-3858

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 Academy for Educational Excellence, Lucas County, Ohio (the Academy) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated October 4, 2016, wherein we noted the Academy adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and GASB Statement No. 71*, Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68.* and the Academy has suffered recurring losses from operations and has a net position deficiency.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and significant deficiencies.

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 a 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. We consider findings 2015-002 through 2015-004 described in the accompanying schedule of findings to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2015-005 described in the accompanying schedule of findings 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 instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2015-001 and 2015-004 through 2015-006.

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.

Dave Yost

Dave Yost
Auditor of State

Columbus, Ohio

October 4, 2016

SCHEDULE OF FINDINGS
JUNE 30, 2015

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

FINDING NUMBER 2015-001

Finding For Recovery Repaid Under Audit

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

Devon Loggins, the former janitor of the Academy, was paid by check on June 30, 2015, for contract janitorial services performed in the amount $324. Mr. Loggins told Ann Harris, Superintendent; the check was allegedly lost or stolen. Mrs. Harris immediately issued cash payment to Mr. Loggins from Academy funds in the amount of $300. The check for $324 cleared the bank several days later. Treasurer, Cindy Mercer recorded the $300 cash as an additional expenditure for contract Janitorial services. Due diligence was not performed by placing hold or stop payment on the check. No investigation was conducted, and none of the parties were held accountable for the reimbursement of the double payment of this expenditure.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued against Devon Loggins, the employee, Ann Harris, Superintendent, and Cynthia Mercer, Treasurer, and Cincinnati Insurance Company, the Treasurer's bonding company, jointly and severally, in the amount of $300 and in favor of The Academy for Educational Excellence.

Ann Harris repaid the $300 to the Academy on June 23, 2016.

FINDING NUMBER 2015-002

Material Weakness

Nonpayroll Disbursements

Maintaining organized documentation and support for financial transactions is essential in assuring the Academy’s financial statements are accurately presented and that all expenditures are made for a proper public purpose.

We noted the following issues in regard to the organization of financial records as well as the underlying documentation and support of certain financial transactions:

- Credit cards are being paid rather than an expense reimbursement being made;
- Authorized signatory signing checks for related parties;
- Checks being made out to different company names even though the invoice indicates who to make the check out to.

This occurred due to insufficient oversight by management.

Failure to maintain organized underlying documentation and support of financial transactions can increase the risk of fraud, inaccurate financial statements, and expenditures that are not for a proper public purpose.

We recommend the Academy maintain all invoices and check stubs attached to each other for all financial transactions occurring within the Academy and that records be maintained in an orderly manner to support all transactions. We also recommend that the Academy monitor who is signing off on checks for related parties because it should not be the employee that is in fact part of the related party.

FINDING NUMBER 2015-003

Material Weakness

Entering Financial Data into the Accounting System

The Academy should have procedures in place to prevent or detect material misstatements for the accurate presentation of the Academy's financial statements. The Treasurer did not always accurately post receipts to the Academy's accounting system. Not posting financial information accurately to the ledgers resulted in the following audit adjustment made to the financial statements.

This occurred due to lack of oversight by the Academy's management.

An adjustment in the amount of $7,311 was made to reduce the outstanding notes payable.

As a result of this adjustment there were significant changes required to the financial statements, notes to the financial statements, and management's discussion and analysis.

We recommend the Academy's Treasurer establish policies and procedures to ensure the accurate posting of all financial activity. Cash receipts posting should be made in accordance with procedures and posting guidelines established by Uniform School Accounting System. By exercising accuracy in recording financial activity, the Academy can reduce posting errors and increase the reliability of financial data throughout the year. We also recommend the Governing Board more closely monitor financial information posting to help detect any posting errors or inaccuracies.

FINDING NUMBER 2015-004

Noncompliance/Material Weakness

SERS Employer

Ohio Rev. Code §3309.49 provides that each employer shall pay to the school employees retirement system at such times as required by the school employees retirement board under section 3309.51 of the Revised Code an amount that shall be a certain per cent of the earnable compensation of all employees, and shall be known as the "employer contribution." The rate per cent of such contribution shall be fixed by the actuary on the basis of the actuary's evaluation of the liabilities of the school employees retirement system, but shall not exceed fourteen per cent, and shall be approved by the school employees retirement board. The school employees retirement board may raise the rate per cent of the contribution to fourteen per cent of the earnable compensation of all employees. In making such evaluation, the actuary shall use, as the actuarial assumptions, regular interest and such mortality and other tables as are adopted by the school employees retirement board. The actuary shall compute the percentage of such earnable compensation, to be known as the "employer rate," required annually to fund the liability for all allowances, annuities, pensions and other benefits, and any deficiencies in the various funds, provided for in Chapter 3309, after deducting therefrom the annuity and other benefits provided by the contributor's accumulated contributions and deposits or other applicable moneys.

The Academy failed to make payments for employer contributions for all part-time employees of the Academy. Failure to make payments could result in a material liability to the Academy.

This occurred due to management not being aware that part-time employees need to be paying into the pension system.

We recommend the Academy establish procedures to ensure that employer contributions are made at the time of payroll disbursement for all employees.

FINDING NUMBER 2015-005

Noncompliance/Significant Deficiency

SERS Employee

Ohio Rev. Code §3309.47 provides that each school employees retirement system contributor shall contribute eight per cent of the contributor's compensation to the employees' savings fund, except that the school employees retirement board may raise the contribution rate to a rate not greater than ten per cent of compensation.

The contributions by the direction of the school employees retirement board shall be deducted by the employer from the compensation of each contributor on each payroll of such contributor for each payroll period and shall be an amount equal to the required per cent of such contributor's compensation. On a finding by the board that an employer has failed or refused to deduct contributions for any employee during any year and to transmit such amounts to the retirement system, the retirement board may make a determination of the amount of the delinquent contributions, including interest at a rate set by the retirement board, from the end of each year, and certify to the employer the amounts for collection. If the amount is not paid by the employer, it may be certified for collection in the same manner as payments due the employers' trust fund. Any amounts so collected shall be held in trust pending receipt of a report of contributions for the employee for the period involved as provided by law and, thereafter, the amount in trust shall be transferred to the employee's savings fund to the credit of the employee. Any amount remaining after the transfer to the employees' savings fund shall be transferred to the employers' trust fund as a credit of the employer.

Additional deposits may be made to a member's account. At retirement, the amount deposited with interest may be used to provide additional annuity income. The additional deposits may be refunded to the member before retirement, and shall be refunded if the member withdraws the member's refundable amount. The deposits may be refunded to the beneficiary or estate if the member dies before retirement and the board shall determine whether regular interest shall be credited to deposits thus refunded.

The Academy failed to withhold SERS payments from all part-time employees of the Academy. Failure to contribute to the employees' pension could result in interest having to be paid by the Academy.

This occurred due to management not being aware that part-time employees need to be paying into the pension system.

We recommend the Academy establish procedures to ensure that pension payments are withheld at the time of payroll disbursements for all employees.

FINDING NUMBER 2015-006

Noncompliance

Ohio Rev. Code §2921.42(A)(1) provides that no public official shall knowingly authorize, or employ the authority or influence of the public official's office to secure authorization of any public contract in which the public official, a member of the public official's family, or any of the public official's business associates has an interest. **Ohio Rev. Code § 2921.42(H)** provides that any public contract in which a public official, a member of the public official's family, or any of the public official's business associates has an interest in violation of this section is void and unenforceable.

Ann Harris, Superintendent for the Academy, hired her daughter, Sonya Loggins for a presentation she gave during the Family Literacy Night held by the Academy. Ms. Loggins was paid $1,000 for the presentation.

This is a violation of the Academy's related party policy and a potential violation of Ohio Rev. Code §2921.42(A)(1). The matter will be referred to the Ohio Ethics Commission for their consideration.

Officials' Response:

We did not receive a response from Officials to the findings reported above.

ACADEMY FOR EDUCATIONAL EXCELLENCE
LUCAS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2015

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2014-001	Finding for Recovery against Lincoln Kynard for monies illegally expended.	Yes	
2014-002	Material weakness for payroll disbursements.	Yes	
2014-003	Material weakness over Academy expenditures.	No	Not corrected and re-issued as finding 2015-002 in this report.
2014-004	Material weakness over entering financial data into the accounting system.	No	Not corrected and re-issued as finding 2015-003 in this report.
2014-005	**Ohio Rev. Code §3309.49** over nonpayment of SERS employer contributions.	No	Not corrected and re-issued as finding 2015-004 in this report.
2014-006	**Ohio Rev. Code §3309.47** over nonpayment of SERS employee contributions.	No	Not corrected and re-issued as finding 2015-005 in this report.
2014-007	**Ohio Rev. Code §3309.28** over STRS employer contributions.	Yes	
2014-008	**Ohio Rev. Code §3309.26** over STRS employee contributions.	Yes	

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ACADEMY FOR EDUCATIONAL EXCELLENCE

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
NOVEMBER 10, 2016