



Dave Yost • Auditor of State



**DIXON EARLY LEARNING CENTER  
COLUMBIANA COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Dixon Early Learning Center  
Columbiana County  
333 North Middle Street  
Columbiana, Ohio 44408

To the Governing Board:

We have audited the accompanying financial statements of Dixon Early Learning Center, Columbiana County, Ohio (the Center), as of and for the year ended June 30, 2011, which collectively comprise the Center's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Center's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Dixon Early Learning Center, Columbiana County, Ohio, as of June 30, 2011, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2011 on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

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**Dave Yost**  
Auditor of State

November 14, 2011

**Dixon Early Learning Center, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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This discussion and analysis of the Dixon Early Learning Center's (the "Center") financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the Center's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the Center's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2011 are as follows:

- Dixon Early Learning Center provides services to 174 kindergarten students. The Center is a community conversion school within Columbiana Exempted Village School District dedicated to children and families as they strive to achieve their full potential.
- The Center received an Ohio Department of Education start up grant of \$450,000, to be received over three years. The grant was used to purchase instructional materials, furniture, smart boards and computers.
- The Center was designed with an emphasis on meeting the individual learning needs of children, including those with disabilities and/or gifted and talented students.
- The Center is cognizant of providing the best education while staying within projected revenues.
- The Center uses a single enterprise fund to report its financial activity. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

This annual report consists of two parts, the MD&A and the basic financial statements. The basic financial statements include a statement of net assets, statement of revenues, expenses and changes in net assets and a statement of cash flows. Entity-wide information is not presented separately since the Center only uses one fund to account for its operations.

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets answer the question, "How did we do financially in fiscal year 2011?" These statements include all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Dixon Early Learning Center, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

Table 1 provides a summary of the Center's net assets for 2011 compared to 2010:

<b>(Table 1)</b>			
<b>Net Assets</b>			
	<u>2011</u>	<u>2010</u>	<u>Change</u>
<b>Assets</b>			
Current and Other Assets	\$49,166	\$108,138	(\$58,972)
Capital Assets, Net	89,009	73,643	15,366
<i>Total Assets</i>	<u>\$138,175</u>	<u>\$181,781</u>	<u>(43,606)</u>
<b>Net Assets</b>			
Invested in Capital Assets	\$89,009	\$73,643	15,366
Unrestricted	49,166	108,138	(58,972)
<i>Total Net Assets</i>	<u>\$138,175</u>	<u>\$181,781</u>	<u>(\$43,606)</u>

Net assets decreased due to the Center's reduction of State Foundation monies and the purchase of additional capital assets.

Table 2 shows the change in net assets for fiscal year 2011. A comparative analysis of government-wide data is presented.

<b>(Table 2)</b>			
<b>Changes in Net Assets</b>			
	<u>2011</u>	<u>2010</u>	<u>Change</u>
<b>Operating Revenues</b>			
Foundation Payments	\$222,366	\$660,603	(\$438,237)
Charges for Services	0	8,845	(8,845)
<i>Total Operating Revenues</i>	222,366	669,448	(447,082)
<b>Non-Operating Revenues</b>			
Grants	191,261	214,168	(22,907)
<i>Total Revenues</i>	<u>413,627</u>	<u>883,616</u>	<u>(469,989)</u>
<b>Operating Expenses</b>			
Purchased Services	308,219	628,573	320,354
Materials and Supplies	106,994	97,350	(9,644)
Depreciation	27,640	18,099	(9,541)
Other	14,380	5,483	(8,897)
<i>Total Expenses</i>	<u>457,233</u>	<u>749,505</u>	<u>292,272</u>
<i>Increase in Net Assets</i>	(43,606)	134,111	(177,717)
Net Assets Beginning of Year	181,781	47,670	134,111
Net Assets End of Year	<u>\$138,175</u>	<u>\$181,781</u>	<u>(\$43,606)</u>



**Dixon Early Learning Center, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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The Center saw a decrease in both revenues and expenses during fiscal year 2011. These are both the direct result of eliminating the first grade students to the Center for fiscal year 2011.

Although the Center relies heavily upon the State School Foundation Program to support its operations, the Center actively solicits and receives additional grant and entitlement funds to help offset some operating costs.

The Center has carefully planned its financial existence by forecasting its revenues and expenses over the next five fiscal years.

***Capital Assets***

Table 3 shows fiscal year 2010 values compared to fiscal year 2011.

**Table 3**  
**Capital Assets (net of depreciation) at June 30**

	<u>2011</u>	<u>2010</u>	<u>Change</u>
Furniture, Fixtures and Equipment	\$89,009	\$73,643	\$15,366

Additions to capital assets included desktop computers, laptop computers and various equipment related to smart boards. For more information on the Center's capital assets, see Note 4 of the basic financial statements.

***Debt***

The Center had no outstanding debt at June 30, 2011.

**Center Outlook**

The Dixon Early Learning Center Board and administration closely monitor the Center's revenues and expenses and are doing everything in their power to make sure every dollar is being used efficiently and effectively.

**Contacting the Center's Financial Management**

This financial report is designed to provide our community with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Ms. Lori Posey, Treasurer at Dixon Early Learning Center, 333 North Middle Street, Columbiana, OH 44408. The Treasurer may also be contacted by phone at (330) 482-5352 or by email at [lori.posey@columbianaschools.org](mailto:lori.posey@columbianaschools.org).

**Dixon Early Learning Center**

*Statement of Net Assets*

*June 30, 2011*

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<b>Assets</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$47,372
Intergovernmental Receivable	<u>1,794</u>
<i>Total Current Assets</i>	49,166
 <i>Noncurrent Assets:</i>	
Depreciable Capital Assets, Net	<u>89,009</u>
<i>Total Assets</i>	<u><u>\$138,175</u></u>
 <b>Net Assets</b>	
Invested in Capital Assets	\$89,009
Unrestricted	<u>49,166</u>
<i>Total Net Assets</i>	<u><u>\$138,175</u></u>

See accompanying notes to the basic financial statements

**Dixon Early Learning Center**  
*Statement of Revenues, Expenses and  
Changes in Net Assets*  
*For the Fiscal Year Ended June 30, 2011*

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<b>Operating Revenues</b>	
Foundation Payments	<u>\$222,366</u>
<b>Operating Expenses</b>	
Purchased Services	308,219
Materials and Supplies	106,994
Depreciation	27,640
Other	<u>14,380</u>
<i>Total Operating Expenses</i>	<u>457,233</u>
<i>Operating Loss</i>	(234,867)
<b>Non-Operating Revenues</b>	
Grants	<u>191,261</u>
<i>Change in Net Assets</i>	(43,606)
<i>Net Assets Beginning of Year</i>	<u>181,781</u>
<i>Net Assets End of Year</i>	<u><u>\$138,175</u></u>

See accompanying notes to the financial statements

**Dixon Early Learning Center**  
*Statement of Cash Flows*  
*For the Fiscal Year Ended June 30, 2011*

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***Increase (Decrease) in Cash and Cash Equivalents***

**Cash Flows from Operating Activities**

Cash Received from State of Ohio	\$222,366
Cash Payments to Suppliers for Goods and Services	(415,213)
Cash Payments for Other Operating Expenses	<u>(14,380)</u>

*Net Cash Used for Operating Activities* (207,227)

**Cash Flows from Noncapital Financing Activities**

Grants Received 189,467

**Cash Flows from Capital and Related Financing Activities**

Payments for Capital Acquisitions (43,006)

*Net Decrease in Cash and Cash Equivalents* (60,766)

*Cash and Cash Equivalents Beginning of Year* 108,138

*Cash and Cash Equivalents End of Year* \$47,372

***Reconciliation of Operating Loss to Net Cash  
Used for Operating Activities***

*Operating Loss* (\$234,867)

*Adjustment*

Depreciation 27,640

*Net Cash Used for Operating Activities* (\$207,227)

See accompanying notes to the financial statements

## **Dixon Early Learning Center, Ohio**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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### **Note 1 – Description of the Center and Reporting Entity**

The Dixon Early Learning Center (the “Center”) is a community school as provided for by Ohio Revised Code Chapters 3314 and 1702 located within the Columbiana Exempted Village School District. The Center, which is part of the State’s education program, is nonsectarian in its programs, admission policies, employment practices and all other operations. The Center may sue and be sued in its own name, acquire facilities as needed and contract for services necessary for the operation of the Center. The Center is considered a component unit of the Columbiana Exempted Village School District for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39.

The creation of the Center was initially proposed to the Ohio Department of Education by the Columbiana Exempted Village School District and other members of the community on March 11, 2008. The Ohio Department of Education approved the proposal and entered into a contract with the Dixon Early Learning Center, which provided for the commencement of Center operations on September 2, 2008.

The Center operates under a three-member Board of Directors (the “Board”). New members are appointed by the remaining board members within 30 days of the date the position becomes open. If a consensus on the new member is not reached by the remaining board members within 30 days, the Columbiana Exempted Village School District Board of Education will appoint the new member. 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 and qualifications of teachers. The Center provides services to 174 students in kindergarten.

These financial statements present only the financial activity and balances of Dixon Early Learning Center.

The Center participates in one jointly governed organization, the Area Cooperative Computerized Educational Service System Council of Governments. This organization is presented in Note 5 to the basic financial statements.

### **Note 2 – Summary of Significant Accounting Policies**

The financial statements of the Center have been prepared in conformity with generally accepted accounting principles (GAAP) 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 Center also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The Center has elected not to apply FASB Pronouncements and Interpretations issued after November 30, 1989. The more significant of the Center’s accounting policies are described below.

#### ***Basis of Presentation***

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

During the fiscal year, the Center segregates transactions related to certain Center functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. For financial reporting, the Center uses a single enterprise fund presentation.

## **Dixon Early Learning Center, Ohio**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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Enterprise fund reporting focuses on the determination of the change in net assets, financial positions and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

### ***Measurement Focus***

The accounting and financial reporting treatment of an entity's financial transactions is determined by the entity's measurement focus. Enterprise fund accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the Center are included on the statement of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Center finances and meets its cash flow needs.

### ***Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is used for reporting purposes.

### ***Revenues – Exchange and Non-Exchange Transactions***

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.

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

### ***Expenses***

Expenses are recognized at the time they are incurred.

### ***Cash and Cash Equivalents***

To improve cash management, cash received by the Center is pooled. Monies for the fund are maintained in this pool. Individual fund integrity is maintained through Center records. Interest in the pool is presented as "equity in pooled cash and cash equivalents". The Center had no investments during the fiscal year or at fiscal year end.

### ***Capital Assets and Depreciation***

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Center maintains a capitalization threshold of six hundred and fifty dollars. The Center 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 capitalized.

## **Dixon Early Learning Center, Ohio**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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Depreciation of the furniture, fixtures and equipment is computed using the straight-line method over an estimated useful life of five years.

### ***Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Center or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Center applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The Center did not have any restricted net assets as of June 30, 2011.

### ***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from primary activities. For the Center, these revenues include certain intergovernmental revenues and charges for services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Center. Revenues and expenses which do not meet these definitions are reported as nonoperating.

### ***Intergovernmental Revenues***

The Center currently participates in the State Foundation Program and the State Special Education Program. Revenues received from these programs are recognized as 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 Center must provide local resources to be used for a specified purpose and expenditure requirements in which the resources are provided to the Center on a reimbursement basis.

The amount of these grants is directly related to the number of students enrolled in the Center. The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency calculations made by the Center. These reviews are conducted to ensure the centers are reporting accurate student enrollment data to the State, upon which State foundation is calculated.

The remaining grants and entitlements received by the Center are recognized as non-operating revenues in the accounting period in which eligibility requirements have been met.

### ***Estimates***

The presentation of the financial statements in conformity with generally accepted accounting principles 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.

### ***Budgetary Process***

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the contract with its Sponsor. The contract between the Center and its Sponsor requires an annual budget. A regular review of the budget is also performed and updated during the fiscal year as circumstances change and actual figures become available.

**Dixon Early Learning Center, Ohio**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**Note 3 – Change in Accounting Principles**

For fiscal year 2011, the Center has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions” and GASB Statement No. 59, “Financial Instruments Omnibus”.

GASB Statement No. 54 Enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement did not result in any change in the Center’s financial statements.

GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments by updating and improving existing standards regarding financial reporting of certain financial instruments and external investment pools. The implementation of this statement did not result in any change in the Center’s financial statements.

**Note 4 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance 6/30/10	Additions	Reductions	Balance 6/30/11
Furniture, fixtures and equipment	\$99,191	\$43,006	\$0	\$142,197
Less: Accumulated Depreciation	(25,548)	(27,640)	0	(53,188)
Total Capital Assets, Net of Depreciation	<u>\$73,643</u>	<u>\$15,366</u>	<u>\$0</u>	<u>\$89,009</u>

**Note 5 - Jointly Governed Organization**

The Area Cooperative Computerized Educational Service System Council of Governments (ACCESS) is a computer network which provides data services to twenty-three school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member districts. Each of the governments of these schools supports ACCESS based upon a per pupil charge, which was \$40.25 for fiscal year 2011. Fifty-seven percent of the per pupil charges were paid for through the USAC Schools and Libraries (E-Rate) Program discount. The Center did not make a payment to ACCESS during fiscal year 2011.

ACCESS is governed by an assembly consisting of superintendents or other designees of the member school districts. The assembly exercises total control over the operation of ACCESS including budgeting, appropriating, contracting and designating management. All of ACCESS revenues are generated from charges for services and State funding.

Financial information can be obtained from the Treasurer for the Mahoning County Educational Service Center, who serves as fiscal agent, at 100 Debartolo Place, Suite 220, Youngstown, Ohio 44512-7019.



**Dixon Early Learning Center, Ohio**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**Note 6 – Risk Management**

The Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2011, the Center’s sponsor carried comprehensive coverage on all their school buildings. This policy cannot be broken out on a per school basis, and therefore is presented on a cumulative basis. During fiscal year 2011, the sponsor contracted with Indiana Insurance for various types of insurance. Coverage is as follows:

Coverage	Amount
Building and Contents - replacement cost (\$1,000 deductible)	\$31,581,900
Inland Marine Coverage (\$500 deductible)	300,000
Schedule Property (\$500 deductible)	767,950
Automobile Liability (\$500 deductible)	1,000,000
General Liability:	
Per Occurrence	1,000,000
Total Per Year	2,000,000
Commercial Umbrella Liability Policy	3,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from the prior year.

**Note 7 – Contingencies**

***Grants***

The Center received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Center at June 30, 2011.

***Litigation***

As of June 30, 2011, the Center was not party to any legal proceedings.

**Note 8 – Purchased Services**

For the period of July 1, 2010 through June 30, 2011, purchased service expenses were payments for services rendered by various vendors as follows:

Teacher Services	\$285,089
Aides	20,130
EMIS Services	3,000
Total	<u><u>\$308,219</u></u>

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# Dave Yost • Auditor of State

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

Dixon Early Learning Center  
Columbiana County  
333 North Middle Street  
Columbiana, Ohio 44408

To the Governing Board:

We have audited the financial statements of Dixon Early Learning Center, Columbiana County, (the Center) as of and for the year ended June 30, 2011, which collectively comprise the Center's basic financial statements and have issued our report thereon dated November 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

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

In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Center's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Center's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Center's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion 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*.

We did note a certain matter not requiring inclusion in this report that we reported to the Center's management in a separate letter dated November 14, 2011.

We intend this report solely for the information and use of management, the Governing Board, and the Community School's sponsor. We intend it for no one other than these specified parties.

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

**Dave Yost**  
Auditor of State

November 14, 2011



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Dixon Early Learning Center  
Columbiana County  
333 North Middle Street  
Columbiana, Ohio 44408

To the Governing Board:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

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

1. We noted the Board amended its anti-harassment policy at its meeting on December 14, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

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

**Dave Yost**  
Auditor of State

November 14, 2011

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# Dave Yost • Auditor of State

**DIXON EARLY LEARNING CENTER**

**COLUMBIANA COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 27, 2011**