



Dave Yost • Auditor of State



**INTERNATIONAL ACADEMY OF OHIO  
D/B/A INTERNATIONAL ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

International Academy of Ohio  
D/B/A International Academy of Columbus  
Franklin County  
1201 Schrock Court  
Columbus, Ohio 43229

To the Board of Directors:

We have audited the accompanying basic financial statements of the International Academy of Ohio, D/B/A International Academy of Columbus, Franklin County, Ohio, (the Academy), as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the International Academy of Ohio, D/B/A International Academy of Columbus, Franklin County, Ohio, as of June 30, 2010, and the change in its financial position and its 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 May 9, 2011, 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. 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 on it.

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

May 9, 2011

**INTERNATIONAL ACADEMY OF OHIO  
D/B/A INTERNATIONAL ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)**

The discussion and analysis of the International Academy of Ohio, D/B/A International Academy of Columbus' (the "Academy") financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Academy's financial performance.

**Financial Highlights**

Key financial highlights for 2010 are as follows:

- In total, net assets were \$409,055 at June 30, 2010.
- The Academy had operating revenues of \$1,295,255, operating expenses of \$1,823,489 and non-operating revenues of \$449,681 for fiscal year 2010. Total change in net assets for the fiscal year was a decrease of \$78,553.

**Using these Basic Financial Statements**

This annual report consists of management's discussion and analysis, the basic financial statements and notes to those statements. These statements are organized so the reader can understand the Academy's financial activities and financial position. The *Statement of Net Assets* and *Statement of Revenues, Expenses and Change in Net Assets* provide information about the activities of the Academy, including all short-term and long-term financial resources and obligations.

**Reporting the Academy's Financial Activities**

***Statement of Net Assets, Statement of Revenues, Expenses, and Change in Net Assets and the Statement of Cash Flows***

These documents look at all financial transactions and ask the question, "How did we do financially during 2010?" The statement of net assets and the statement of revenues, expenses and change in net assets answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Academy's *net assets* and change in those assets. This change in net assets is important because it tells the reader that, for the Academy as a whole, the *financial position* of the Academy has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 9 and 10 of this report.

The Statement of Cash Flows provides information about how the Academy finances and meets the cash flow needs of its operations. The Statement of Cash Flows can be found on page 11 of this report.

***Notes to the Basic Financial Statements***

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes to the basic financial statements can be found on pages 13-23 of this report.

**INTERNATIONAL ACADEMY OF OHIO  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)**

The table below provides a summary of the Academy's net assets for fiscal years 2010 and 2009.

	<b>Net Assets</b>	
	<u>2010</u>	<u>2009</u>
<b><u>Assets</u></b>		
Current assets	\$ 554,307	\$ 676,444
Noncurrent assets:		
Security deposit	10,500	10,500
Capital assets, net	<u>29,202</u>	<u>35,907</u>
Total assets	<u>594,009</u>	<u>722,851</u>
<b><u>Liabilities</u></b>		
Current liabilities	<u>184,954</u>	<u>235,243</u>
Total liabilities	<u>184,954</u>	<u>235,243</u>
<b><u>Net Assets</u></b>		
Invested in capital assets	29,202	35,907
Restricted for federally funded programs	16,535	19,729
Unrestricted	<u>363,318</u>	<u>431,972</u>
Total net assets	<u>\$ 409,055</u>	<u>\$ 487,608</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the Academy's net assets totaled \$409,055. The overall decrease in capital assets of \$6,705 is primarily due to depreciation expense. This decrease in capital assets is the primary reason for the decrease in net assets invested in capital assets.

Current assets decreased by 18.06%, primarily due to a decrease in cash and cash equivalents in the amount of \$219,722. At fiscal year-end, capital assets represented 4.92% of total assets. Capital assets include two modular classroom buildings, leasehold improvements and furniture and equipment. Capital assets, net of accumulated depreciation at June 30, 2010, were \$29,202. These capital assets are used to provide services to the students and are not available for future spending. A portion of the Academy's net assets, \$16,535, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$363,318 may be used to meet the Academy's ongoing operations.

**INTERNATIONAL ACADEMY OF OHIO  
D/B/A INTERNATIONAL ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)**

The table below shows the changes in net assets for fiscal years 2010 and 2009.

	2010	2009
<b><u>Operating Revenues:</u></b>		
State foundation	\$ 1,283,914	\$ 1,451,955
Charges for services	445	607
Other	10,896	46,509
Total operating revenue	1,295,255	1,499,071
<b><u>Operating Expenses:</u></b>		
Salaries and wages	933,058	846,090
Fringe benefits	262,269	219,186
Purchased services	517,067	598,601
Materials and supplies	57,728	62,793
Depreciation	10,353	15,575
Other	43,014	57,729
Total operating expenses	1,823,489	1,799,974
<b><u>Non-operating Revenues/(Expenses):</u></b>		
Grants	449,024	392,001
Other non-operating expenses	-	(1,164)
Interest revenue	657	5,180
Total non-operating revenues (expenses)	449,681	396,017
Change in net assets	(78,553)	95,114
Net assets at beginning of year	487,608	392,494
Net assets at end of year	\$ 409,055	\$ 487,608

Operating revenues decreased \$203,816, or 13.60%, primarily due to a decrease in State foundation revenue. The decrease in foundation funding occurred partially due to the Academy decreasing enrollment by 1 student in fiscal year 2010 versus 2009. This decrease in operating revenue was offset by an increase in federal and state grant funding of \$57,023, or 14.55%. The Academy received additional funding from these sources in fiscal year 2010 and will continue to look for additional funding in the future.

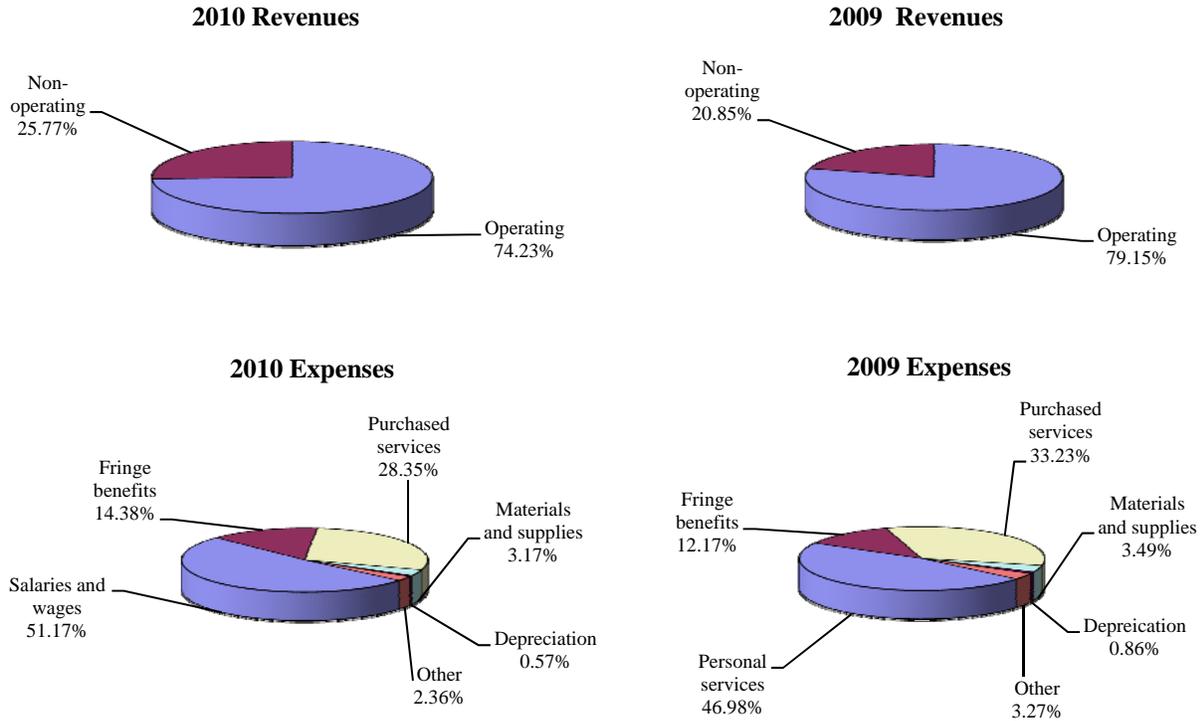
Operating expenses increased \$23,515, or 1.31%, in fiscal year 2010 versus 2009. The primary increase was in the area of salaries, wages and fringe benefits which collectively increased \$130,051, or 12.29%. The Academy had 16 full time non-certified staff members and 15 certified full time teaching personnel in 2010 compared to 15 full time non-certified staff members and 14 certified full time teaching personnel in 2009. This increase in personnel accounted for the increase in salaries, wages and fringe benefits expenses.

Under purchased services, the primary areas on decrease from fiscal year 2009 to 2010 were in the areas of professional services and other services. Professional services decreased \$7,431, or 14.72%, and other services decreased \$76,003, or 60.10%.

**INTERNATIONAL ACADEMY OF OHIO  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)**

The charts below illustrate the revenues and expenses for the Academy during fiscal years 2010 and 2009.



Total revenues for fiscal years 2010 and 2009 were \$1,744,936 and \$1,896,252, respectively. State Foundation revenues decreased \$168,041 in fiscal year 2010 due to a decrease in student enrollment. Non-operating grant revenue increased in fiscal year 2010 by \$57,023, also due an increase in grants.

Total operating expenses for fiscal years 2010 and 2009 were \$1,823,489 and \$1,799,974, respectively. Salaries and wages and fringe benefits increased \$86,968 and \$43,083, respectively. These increases are due to an increase in faculty staffing.

**Capital Assets**

At the end of fiscal year 2010, the Academy had \$29,202 in capital assets, net of depreciation, consisting of two modular classroom buildings, leasehold improvements and furniture and equipment. The following table shows fiscal year 2010 balances compared to fiscal year 2009:

	<b>Capital Assets at June 30 (Net of Depreciation)</b>	
	<u>2010</u>	<u>2009</u>
Modular classroom building	\$ 65,054	\$ 65,054
Leasehold improvements	322,866	322,866
Furniture and equipment	93,515	89,867
Accumulated depreciation	<u>(452,233)</u>	<u>(441,880)</u>
Total	<u>\$ 29,202</u>	<u>\$ 35,907</u>

**INTERNATIONAL ACADEMY OF OHIO  
D/B/A INTERNATIONAL ACADEMY OF COLUMBUS  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)**

The overall decrease in capital assets is \$6,705, due primarily to depreciation expense.

See Note 6 to the basic financial statements for additional information on the Academy's capital assets.

**Budgeting Highlights**

Community schools in Ohio are exempt from appropriations law, but are required to submit a financial forecast.

**Current Financial Related Activities**

Enrollment has decreased to 192 students in fiscal year 2010. Management and the Board intend to continue their good stewardship of public funds by keeping appropriate levels of working capital and net assets. The current level of net assets is about 32 percent of operating revenues for fiscal year 2010. The Academy must continue to look for ways to increase its efficiency and effectiveness. As described in the previous pages, the Academy has limited means to increase its revenue relative to traditional school districts. Community schools cannot seek additional funds through the passage of tax levies and are limited to the per pupil revenue provided through State foundation. As such, the Academy must constantly monitor budgets and develop revenue models to accurately anticipate changes in funding and timing of cash.

**Contacting the Academy's Financial Management**

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have questions about this report or need additional financial information contact Barbara E. Henry, Treasurer, 1201 Schrock Court, Columbus, Ohio 43229.

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**INTERNATIONAL ACADEMY OF OHIO  
D/B/A INTERNATIONAL ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

**STATEMENT OF NET ASSETS  
JUNE 30, 2010**

**Assets:**

Current assets:

Cash . . . . .	\$	400,610
Receivables:		
Intergovernmental. . . . .		115,184
Prepayments . . . . .		38,513
 Total current assets . . . . .		554,307

Noncurrent assets:

Security deposit . . . . .		10,500
Capital assets, net of depreciation. . . . .		29,202
 Total non current assets. . . . .		39,702
 Total assets. . . . .		594,009

**Liabilities:**

Current liabilities:

Accrued wages and benefits . . . . .		142,100
Intergovernmental payable . . . . .		37,285
Unearned revenue . . . . .		5,569
 Total liabilities . . . . .		184,954

**Net assets:**

Invested in capital assets . . . . .		29,202
Restricted for federally funded programs . . . . .		16,535
Unrestricted . . . . .		363,318
 Total net assets . . . . .	\$	409,055

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**INTERNATIONAL ACADEMY OF OHIO  
D/B/A INTERNATIONAL ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGE IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<b>Operating revenues:</b>	
State foundation . . . . .	\$ 1,283,914
Charges for services . . . . .	445
Other. . . . .	10,896
	<hr/>
Total operating revenues . . . . .	1,295,255
	<hr/>
<b>Operating expenses:</b>	
Salaries and wages. . . . .	933,058
Fringe benefits . . . . .	262,269
Purchased services. . . . .	517,067
Materials and supplies . . . . .	57,728
Depreciation . . . . .	10,353
Other. . . . .	43,014
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Total operating expenses. . . . .	1,823,489
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Operating loss . . . . .	(528,234)
	<hr/>
<b>Non-operating revenues:</b>	
State and federal grants. . . . .	449,024
Interest revenue . . . . .	657
	<hr/>
Total nonoperating revenues . . . . .	449,681
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Change in net assets. . . . .	(78,553)
	<hr/>
<b>Net assets at beginning of year . . . . .</b>	<b>487,608</b>
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<b>Net assets at end of year. . . . .</b>	<b>\$ 409,055</b>
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**INTERNATIONAL ACADEMY OF OHIO  
D/B/A INTERNATIONAL ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<b>Cash flows from operating activities:</b>	
Cash received from state foundation . . . . .	1,274,792
Cash received from charges for services . . . . .	445
Cash received from other operations . . . . .	14,337
Cash payments for personal services. . . . .	(1,198,404)
Cash payments for contractual services . . . . .	(584,151)
Cash payments for materials and supplies . . . . .	(58,055)
Cash payments for other expenses . . . . .	(56,545)
	<hr/>
Net cash used in operating activities. . . . .	(607,581)
 <b>Cash flows from noncapital financing activities:</b>	
Cash received from federal and state grants. . . . .	391,356
	<hr/>
Net cash provided by noncapital financing activities. . . . .	391,356
	<hr/>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition of capital assets . . . . .	(4,154)
	<hr/>
Net cash used in capital and related financing activities. . . . .	(4,154)
	<hr/>
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	657
	<hr/>
Net cash provided by investing activities . . . . .	657
	<hr/>
Net decrease in cash and cash cash equivalents . . . . .	(219,722)
 <b>Cash and cash equivalents at beginning of year . . . .</b>	 620,332
<b>Cash and cash equivalents at end of year . . . . .</b>	<b><u><u>\$ 400,610</u></u></b>
 <b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss . . . . .	\$ (528,234)
Adjustments:	
Depreciation . . . . .	10,353
Changes in assets and liabilities:	
Decrease in accounts receivable . . . . .	3,441
(Increase) in prepayments . . . . .	(37,789)
(Decrease) in accounts payable. . . . .	(53,646)
Increase in accrued wages and benefits . . . . .	8,809
(Decrease) in intergovernmental payable . . . . .	(10,515)
	<hr/>
Net cash used in operating activities . . . . .	<b><u><u>\$ (607,581)</u></u></b>

At June 30, 2009 and 2010, the Academy purchased \$506 and \$0, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**INTERNATIONAL ACADEMY OF OHIO  
D/B/A INTERNATIONAL ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 1 - DESCRIPTION OF THE ACADEMY**

The International Academy of Ohio, D/B/A International Academy of Columbus (the "Academy") is a non-profit corporation established pursuant to the Ohio Revised Code Chapters 1702 and 3314 to maintain and provide a school exclusively for educational, literary, scientific, and related teaching service that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Specifically the Academy's purpose is to be a model charter school serving children from kindergarten through grade seven. The Academy, which is part of the State's education program, is independent of any school district. The Academy may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy's tax exempt status.

The creation of the Academy was initially proposed to the Ohio Department of Education (the "Sponsor") by the developers of the Academy in July, 2000. The Sponsor approved the proposal and entered into a contract with the developers, which provided for the commencement of the Academy's operations on May 31, 2002 for a period of five years. Also, on May 31, 2002, the Ohio Department of Education assigned the sponsor contract to the Lucas County Educational Service Center (LCESC). On September 1, 2005, the LCESC assigned the sponsor contract to the Buckeye Community Hope Foundation.

The Academy is located in Columbus, Ohio, Franklin County. The Academy ranks as the 751<sup>st</sup> largest in terms of enrollment (among 905 public school districts and community schools) in the State of Ohio. The Academy operates under a self-appointed seven-member Board of Directors, which is comprised of a variety of community leaders. 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, admissions standards, and qualifications of teachers. The Board of Directors controls the Academy's one instructional facility staffed by 16 full time non-certified personnel, and 15 certified full-time teaching personnel who provide services to approximately 192 students.

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

The basic financial statements (BFS) of the Academy have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to a governmental nonprofit organization. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Academy also applied Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, provided those pronouncements did not conflict with or contradict GASB pronouncements. The Academy had the option to also apply FASB guidance issued after November 30, 1989, subject to this same limitation. The Academy elected not to apply this FASB guidance. The Academy's significant accounting policies are described below.

**A. Basis of Presentation**

The Academy's basic financial statements consist of a Statement of Net Assets; a Statement of Revenues, Expenses, and Change in Net Assets; and a Statement of Cash Flows.

**INTERNATIONAL ACADEMY OF OHIO  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

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

**A. Basis of Presentation (Continued)**

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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 were reported as non-operating.

**B. Measurement Focus and Basis of Accounting**

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the Academy are included on the Statement of Net Assets. The Statement of Revenues, Expenses, and Change in Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Statement of Cash Flows reflects how the Academy's finances meet its cash flow needs.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

**C. Budgetary Process**

Unlike other public schools located in the State of Ohio, the Academy is not required to follow budgetary provisions set forth in Ohio Revised Code Section 5705, unless specifically provided in the contract between the Academy and its sponsor. The contract between the Academy and its Sponsor prescribes an annual budget requirement in addition to preparing a five-year forecast which is updated on an annual basis.

**D. Cash and Cash Equivalents**

Cash and investments held by the Academy are reflected as "cash and cash equivalents" on the statement of net assets. All monies received by the Academy were deposited in demand deposit accounts.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

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

**E. Capital Assets and Depreciation**

All capital assets were capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets were recorded at their fair market values on the date donated. The Academy maintained a capitalization threshold of \$1,000. The Academy did not have any infrastructure. Leasehold Improvements were capitalized. The costs of normal maintenance and repairs that did not add to the value of the asset or materially extend an asset's life were not capitalized. Interest incurred during the construction of capital assets is also capitalized. The Academy did not have any capitalized interest during the year.

All capital assets were depreciated. Leasehold Improvements were depreciated over the remaining useful lives of the related capital assets from three to four years. Depreciation was computed using the straight-line method. Furniture and equipment was depreciated over three to ten years. Modular classroom buildings are depreciated over ten years.

**F. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use, either through enabling legislation 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 assets are available.

**G. Prepaid Items**

A prepaid item is an asset that occurs when a vendor is paid for services that will benefit a future accounting period. When items meet these criteria, they are reported as assets on the statement of net assets using the consumption method. Under the consumption method, a current asset for the prepaid amount is recorded at the time of the purchase and the expense is reported in the year in which services are consumed. The Academy had \$38,513 in prepaid assets at June 30, 2010.

**H. Intergovernmental Revenue**

The Academy participated in the State Foundation Program through the Ohio Department of Education. Revenue from this program was recognized as operating revenue in the accounting period in which all eligibility requirements had been met.

Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility includes timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Academy must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

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FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

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

**I. Security Deposit**

At June 30, 2010, the Academy had a deposit of \$10,500 with Busch Properties, Inc., as security for the faithful performance of all lease covenants and conditions of the property leased. The deposit is recorded on the accompanying statement of net assets as a non-current asset.

**J. Estimates**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For fiscal year 2010, the Academy has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. The implementation of GASB Statement No. 51 did not have an effect on the financial statements of the Academy.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the Academy.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the Academy.

**INTERNATIONAL ACADEMY OF OHIO  
D/B/A INTERNATIONAL ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**NOTE 4 - DEPOSITS AND INVESTMENTS**

**Deposits**

At June 30, 2010, the carrying amount of the Academy's deposits was \$400,610. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2010, \$7,635 of the Academy's bank balance of \$462,084 was exposed to custodial risk as discussed below, while \$454,449 was covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial credit risk is the risk that, in the event of bank failure, the Academy's deposits may not be returned. All deposits not covered by the FDIC are uncollateralized for the Academy. There are no significant statutory restrictions regarding the deposit and investment of funds by the non-profit corporation.

**NOTE 5 - RECEIVABLES**

Receivables at June 30, 2010 consisted of intergovernmental (e.g. state and federal grants) receivables. All intergovernmental receivables are considered collectible in full. Below is a summary of receivables due to the Academy:

National School Lunch	\$ 23,187
IDEA Part B	42,543
Stimulus Title II D	978
Limited English Proficiency	5,529
Refugee Children School Impact Act	6,000
Drug Free Schools	1,635
Title I	31,427
Improving Teacher Quality	<u>3,885</u>
Total	<u>\$ 115,184</u>

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2010</u>
Modular classroom buildings	\$ 65,054	\$ -	\$ -	\$ 65,054
Leasehold improvements	322,866	-	-	322,866
Furniture and equipment	89,867	3,648	-	93,515
Less: accumulated depreciation	<u>(441,880)</u>	<u>(10,353)</u>	<u>-</u>	<u>(452,233)</u>
Capital assets, net	<u>\$ 35,907</u>	<u>\$ (6,705)</u>	<u>\$ -</u>	<u>\$ 29,202</u>

**INTERNATIONAL ACADEMY OF OHIO  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**NOTE 7 - OPERATING LEASES**

The Academy leases a building under a cancelable operating lease.

The building lease ends June 30, 2012. At the expiration or earlier termination of the tenancy, the Academy shall surrender the leased premises, including, without limitation, all alterations, additions, improvements, decorations, and repairs made thereto, in good condition and repair. The lease is renewable under contract provisions through June 30, 2017, with incremental annual increases. All original terms and conditions apply to renewal options. The Academy is responsible for all charges incurred for utilities (i.e. heat, water, gas, sewer, electricity) and maintenance. The Academy made lease payments in the amount of \$187,536 for fiscal year 2010. The Academy has paid a security deposit of \$10,500 to execute the lease.

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2011	\$ 217,080
2012	<u>227,940</u>
Total minimum lease payments	<u><u>445,020</u></u>

**NOTE 8 - PURCHASED SERVICES**

For fiscal year ended June 30, 2010, purchased services expenses were as follows:

Professional services	\$ 43,054
Rent and property services	246,462
Advertising, communications and travel	7,514
Utilities	48,723
Contract services	120,866
Other purchased services	<u>50,448</u>
Total	<u><u>\$517,067</u></u>

**NOTE 9 - PENSION PLANS**

**A. School Employees Retirement System**

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

**INTERNATIONAL ACADEMY OF OHIO  
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FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**NOTE 9 - PENSION PLANS - (Continued)**

**A. School Employees Retirement System (Continued)**

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute at an actuarially determined rate. The current Academy rate is 14 percent of annual covered payroll. A portion of the Academy's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2010, 12.74 percent and .04 percent of annual covered salary was the portion used to fund pension obligations and death benefits respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Academy's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$48,487, \$30,622 and \$30,480, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

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

Plan Description - The Academy participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://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. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

**INTERNATIONAL ACADEMY OF OHIO  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**NOTE 9 - PENSION PLANS - (Continued)**

**B. State Teachers Retirement System of Ohio (Continued)**

Funding Policy - For fiscal year 2010, plan members were required to contribute 10 percent of their annual covered salaries. The Academy was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Academy's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009 and 2008 were \$70,096, \$66,411 and \$67,407, respectively; 97.92 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$13,652 made by the Academy and \$9,751 made by the plan members.

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description - The Academy participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Chapter 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was \$96.40 and SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under *Employers/Audit Resources*.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2010, 0.46 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned.

**INTERNATIONAL ACADEMY OF OHIO  
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FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)**

**A. School Employees Retirement System (Continued)**

Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the actuarially determined amount was \$35,800.

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

The Academy's contributions for health care (including surcharge) for the fiscal years ended June 30, 2010, 2009, and 2008 were \$7,127, \$19,218 and \$19,114, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2010, this actuarially required allocation was 0.76 percent of covered payroll. The Academy's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$2,883, \$2,527 and \$2,196, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

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

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Academy's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$5,392, \$5,109 and \$5,185, respectively; 97.92 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**INTERNATIONAL ACADEMY OF OHIO  
D/B/A INTERNATIONAL ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**NOTE 11 - OTHER EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vacation and sick leave components are derived from the Academy policy and State laws. All employees are at-will employees and do not have contracts as employees in traditional school districts. Full time administrative staff members are entitled to accrue 10 vacation days per year. Vacation time for the custodian is determined annually by the Management team. Vacation time for the Academy Director is determined annually by the Board. Salaried employees accrue sick time of 10 days per school year (0.833 per month) and are awarded 3 personal days and 1 professional day at the beginning of each school year. Hourly rate employees do not accrue leave and are paid based upon hours worked only. Personal and professional days do not carry over to the following school year.

**NOTE 12 - RISK MANAGEMENT**

**A. Property and Liability**

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Academy maintains insurance coverage with Wells Fargo Insurance Company for general liability, buildings and contents, and school leaders' errors and omissions. The general liability coverage is in the amount of \$3,000,000 aggregate. There has not been a significant reduction in coverage from the prior year. Settled claims have not exceeded the commercial coverage in any of the past three years.

**B. Employee Medical, Dental, and Vision Benefits**

The Academy has contracted with a private carrier to provide employee health insurance benefits. The employee has the option of using the Academy's insurance provider or using an outside provider. Insurance premiums vary by employee depending upon such factors as age, gender, and number of covered dependants.

**C. Workers' Compensation**

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

**NOTE 13 - CONTINGENCIES**

**A. Grants**

The Academy received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2010.

**INTERNATIONAL ACADEMY OF OHIO  
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FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**NOTE 13 - CONTINGENCIES - (Continued)**

**B. State Foundation Funding**

The Ohio Department of Education conducts reviews on enrollment data and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. As a result of the review after fiscal year end, the Ohio Department of Education overpaid the Academy \$7,838. This amount is reflected as intergovernmental payable on the basic financial statements.

**C. Litigation**

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

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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*

International Academy of Ohio  
D/B/A International Academy of Columbus  
Franklin County  
1201 Schrock Court  
Columbus, Ohio 43229

To the Board of Directors:

We have audited the basic financial statements of the International Academy of Ohio, D/B/A International Academy of Columbus, Franklin County, Ohio (the Academy), as of and for the year ended June 30, 2010, and have issued our report thereon dated May 9, 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 Academy's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Academy's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Academy'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 deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements 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 would not necessarily identify all deficiencies in internal control 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2010-001 to be a significant deficiency. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **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, 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 certain matters not requiring inclusion in this report that we reported to the Academy's management in a separate letter dated May 9, 2011.

The Academy's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Academy's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the audit committee, management, the Board of Directors, the Academy's sponsor, and others within the Academy. We intend it for no one other than these specified parties.



**Dave Yost**  
Auditor of State

May 9, 2011

**INTERNATIONAL ACADEMY OF OHIO  
D/B/A INTERNATIONAL ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	<b>2010-001</b>
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**Monthly Bank Reconciliations – Significant Deficiency**

Monthly bank reconciliations should be performed by the Treasurer to determine if all receipts and disbursements have been properly posted. Reconciling items should be investigated at the time of the reconciliation and resolved in a timely manner. Documentation supporting all reconciling items should be included with the reconciliation. Once completed, the reconciliation should be reviewed for completeness and accuracy by the Board.

When bank reconciliations are not properly performed, monthly fund balances may be understated or overstated and management cannot be assured that the accounting ledgers reflect the proper financial activities of the Academy.

At June 30, 2010, the Academy was unreconciled with bank balances exceeding book balances by \$18,217, of which \$16,103 represents an unsupported fiscal year 2009 revenue posting which has not been corrected. Furthermore, it was noted the Treasurer improperly back-dated several checks and posted them to the accounting system on June 30, 2010. These checks totaling \$37,598 related to July 2010 goods and services and were improperly included on the Academy's June 30, 2010 financial statements and the June 30, 2010 outstanding check list. These errors were immaterial to the overall June 30, 2010 basic financial statements of the Academy and were not recorded in the accounting ledgers or basic financial statements.

We recommend the Treasurer perform monthly bank to book reconciliations that properly account for all transactions during the respective month as well as all reconciling items. All receipt and expenditure transactions should be posted to the accounting ledgers in the proper period and in a timely manner to aid in the reconciliation process. In addition, the bank reconciliations, including supporting documentation, should be reviewed by the Board in order to assure accuracy and that all errors and/or irregularities are detected in a timely manner. Furthermore, we recommend the Treasurer investigate the unreconciled balance and determine what factors comprise this balance and properly post the items to the Academy's ledgers.

The Academy identified and corrected the unreconciled balance of \$18,217 during fiscal year 2011.

**Officials' Response**

The Academy successively identified and corrected the unreconciled balance of \$18,217 during fiscal year 2011. The school continues to reconcile each month and report to the Governing Authority.

**INTERNATIONAL ACADEMY OF OHIO  
D/B/A INTERNATIONAL ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-001	Monthly Bank Reconciliations – Significant Deficiency	No	Not corrected – Re-issued as Finding 2010-001.
2009-002	Financial Reporting – Significant Deficiency	Yes	



# Dave Yost • Auditor of State

**INTERNATIONAL ACADEMY OF COLUMBUS**

**FRANKLIN 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  
JUNE 7, 2011**