# *SPRINGFIELD ACADEMY OF EXCELLENCE*
# *CLARK COUNTY, OHIO*

## *AUDIT REPORT*

***FOR THE YEAR ENDED JUNE 30, 2010***

*Charles E. Harris and Associates, Inc.*
**Certified Public Accountants and Government Consultants**

Board of Directors
Springfield Academy of Excellence
623 South Center Street
Springfield, Ohio 45506

We have reviewed the *Report of Independent Accountants* of the Springfield Academy of Excellence, Clark County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Dave Yost

Dave Yost
Auditor of State

February 17, 2011

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**SPRINGFIELD ACADEMY OF EXCELLENCE**
***CLARK COUNTY***
**AUDIT REPORT**
For the year ended June 30, 2010

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## REPORT OF INDEPENDENT ACCOUNTANTS

Springfield Academy of Excellence
Clark County
623 S. Center St.
Springfield, Ohio 45506

To the Board of Trustees:

We have audited the accompanying basic financial statements of the Springfield Academy of Excellence, Clark County (the School) 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 School'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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 that our audit provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2010, and the changes 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.

The management's discussion and analysis on pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 29, 2010 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

We conducted our audit to opine on the financial statements that collectively comprise the School's basic financial statements. The accompanying schedule of federal awards expenditures is presented for the purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

***Charles E. Harris & Associates, Inc.***
December 29, 2010

The discussion and analysis of Springfield Academy of Excellence (the Academy)'s financial performance provides an overall review of the 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 basic financial statements and the notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented, and is presented, in the MD&A.

## Financial Highlights

Key financial highlights for fiscal year 2010 are as follows:

- ► Total net assets decreased $76,044 in the fiscal year 2010 from fiscal year 2009. This decrease is due to the excess expenditures over revenue for the year ended June 30, 2010.

- ► Total assets decreased $47,113 from the prior year, due primarily to an increase in current year accumulated depreciation.

- ► The operating loss reported for fiscal year 2010 was more than the operating loss reported for fiscal year 2009. The primary factor attributing to the increase in the operating loss for fiscal year 2010 is the increase in salaries and purchased services.

## Using this Financial Report

This annual report consists of a series of financial statements and notes to those statements.

The *Statement of Net Assets* and *Statement of Revenues, Expenses, and Changes in Net Assets* reflect how the School did financially during fiscal year 2010. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's *net assets* and changes in those assets. This change in net assets is important because it tells the reader whether the *financial position* of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School's student enrollment, per-pupil funding as determined by the State of Ohio, change in technology, required educational programs, and other factors.

The School uses enterprise presentation for all of its activities.

Table 1 provides a summary of the Academy's net assets for fiscal year 2010 compared with fiscal year 2009.

**Table 1**
**Net Assets**

| | 2010 | 2009 |
|---|---|---|
| **Assets** | | |
| Current and other assets | $ 142,423 | $ 125,905 |
| Capital assets, net | 497,018 | 560,649 |
| **Total Assets** | 639,441 | 686,554 |
| | | |
| **Liabilities** | | |
| Current liabilities | 185,756 | 142,461 |
| Non-current liabilities | 329,616 | 343,980 |
| **Total Liabilities** | 515,372 | 486,441 |
| | | |
| **Net Assets:** | | |
| Invested in capital assets (net of related debt) | 153,028 | 203,339 |
| Unrestricted | (28,959) | (3,226) |
| **Total Net Assets** | $ 124,069 | $ 200,113 |

Total liabilities of the Academy increased $28,931 at June 30, 2010 compared with the same time a year prior. This increase is due primarily to an increase in current payables.

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2010, as well as revenue and expense comparisons to fiscal year 2009.

**Table 2**
**Change in Net Assets**

| | **2010** | **2009** |
|---|---|---|
| **Operating Revenues:** | | |
| Foundation Payments | $1,371,451 | $1,367,564 |
| Parity Aid | 118,775 | 141,018 |
| Other Operating Revenues | 6,991 | 78,395 |
| **Non Operating Revenues:** | | |
| State and Federal Grant Revenue | 622,856 | 351,101 |
| Interest Earnings | 45 | 245 |
| **Total Revenues** | 2,120,118 | 1,938,323 |
| **Operating Expenses:** | | |
| Salaries | 1,178,501 | 995,831 |
| Fringe Benefits | 298,380 | 275,479 |
| Contract Management/fiscal | 53,948 | 63,381 |
| Lease Payments | 103,800 | 137,028 |
| Other Purchased Services | 280,977 | 172,221 |
| Materials and Supplies | 161,844 | 166,671 |
| Depreciation | 69,809 | 72,705 |
| Other | 21,777 | - |
| **Non Operating Expenses:** | | |
| Interest and fiscal charges | 27,126 | 29,700 |
| **Total Expenses** | 2,196,162 | 1,913,006 |
| Change in Net Assets | (76,044) | 25,317 |
| Net Assets, Beginning of Year | 200,113 | 174,796 |
| **Net Assets, End of Year** | $ 124,069 | $ 200,113 |

Total revenue received by the Academy in fiscal year 2010 increased $181,795 compared with fiscal year 2009. As shown on Table 2 above, there was an increase in state and federal grants and a decrease in other operating revenues from 2010 to 2009.

Total expenses for fiscal year 2010 increased by $283,156 compared with total expense reported for the prior fiscal year. Salaries and other purchased services were the main components of the increase.

**Capital Assets**
At June 30, 2010 the capital assets of the Academy totaled $938,297 with accumulated depreciation being $441,279. A break down of the Academy's net capital assets is presented below.

**Table 3**
**Capital Assets, Net of Depreciation**

| | **2010** | **2009** |
|---|---|---|
| Buildings | $ 432,150 | $ 445,421 |
| Leasehold Improvements | 44,070 | 88,141 |
| Equipment | 20,798 | 27,087 |
| Total | $497,018 | $ 560,649 |

During the year, the Academy purchased $6,178 of equipment. Fiscal year 2010 depreciation expense totaled $69,809 compared with $72,705 reported in fiscal year 2009 (See Note 5).

**Debt**
At June 30, 2010, the debt obligation of the Academy consisted solely of the construction loan obtained to provide financing for the construction of the new school building. The original principal of the loan was $409,998. At June 30, 2010 the outstanding principal balance was $343,990 with $14,374 becoming due in fiscal year 2011. The Academy made total principal payments of $13,320 during the fiscal year 2010. See Note 7 of the notes to the basic financial statements for additional information on the Academy's debt obligations.

**Contacting the Academy**
This financial report is designed to provide a general overview of the finances of the Springfield Academy of Excellence, Inc. and to show the Academy's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to:

Springfield Academy of Excellence
623 South Center Street
Springfield, Ohio 45506

**SPRINGFIELD ACADEMY OF EXCELLENCE**
**STATEMENT OF NET ASSETS**
**AS OF JUNE 30, 2010**

| | |
|---|---|
| **Assets:** | |
| **Current Assets:** | |
| Cash | $ 96,146 |
| Intergovernmental Receivable | 39,823 |
| Total Current Assets | 135,969 |
| | |
| **Noncurrent Assets:** | |
| Security Deposit | 6,454 |
| Capital Assets (Net of Accumulated Depreciation) | 497,018 |
| Total Noncurrent Assets | 503,472 |
| | |
| **Total Assets** | $639,441 |
| | |
| **Liabilities:** | |
| **Current Liabilities:** | |
| Accounts Payable | $ 17,929 |
| Intergovernmental Payable | 23,761 |
| Accrued Wages Payable | 129,692 |
| Notes Payable, Due within One Year | 14,374 |
| Total Current Liabilities | 185,756 |
| | |
| **Noncurrent Liabilities:** | |
| Notes Payable, Due Within More than One Year | 329,616 |
| | |
| **Total Liabilities** | $515,372 |
| | |
| **Net Assets:** | |
| Invested in Capital Assets, Net of Related Debt | 153,028 |
| Unrestricted | (28,959) |
| | |
| **Total Net Assets** | $124,069 |

See accompanying notes to the basic financial statements.

**SPRINGFIELD ACADEMY OF EXCELLENCE**
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | |
|---|---|
| **Operating Revenues:** | |
| Foundation Payments | $1,371,451 |
| Parity Aid | 118,775 |
| Other Operating Revenue | 6,991 |
| Total Operating Revenues | 1,497,217 |
| | |
| **Operating Expenses:** | |
| Salaries | 1,178,501 |
| Fringe Benefits | 298,380 |
| Contractual Management & Fiscal Fees | 53,948 |
| Lease Payments | 103,800 |
| Purchased Services | 280,977 |
| Materials and Supplies | 161,844 |
| Depreciation | 69,809 |
| Other | 21,777 |
| Total Operating Expenses | 2,169,036 |
| | |
| **Operating Loss** | (671,819) |
| | |
| **Non-Operating Revenues and (Expenses):** | |
| State and Federal Grant Revenue | 622,856 |
| Interest Earnings | 45 |
| Interest and Fiscal Charges | (27,126) |
| Total Non-Operating Revenues | 595,775 |
| | |
| Changes in Net Assets | (76,044) |
| | |
| Net Assets at Beginning of Year | 200,113 |
| | |
| **Net Assets at End of Year** | $ 124,069 |

See accompanying notes to basic financial statements

**SPRINGFIELD ACADEMY OF EXCELLENCE**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED JUNE 30, 2010**

| | |
|---|---|
| **Increase (Decrease) in Cash and Cash Equivalents** | |
| **Cash Flows from Operating Activities:** | |
| Cash from State of Ohio | $ 1,490,226 |
| Cash Payments to Suppliers for Goods and Services | (622,622) |
| Cash Payments to Employees for Services and Benefits | (1,434,354) |
| Other Operating Revenue | 6,991 |
| **Net Cash Used in Operating Activities** | (559,759) |
| **Cash Flows from Noncapital Financing Activities:** | |
| Federal and State Subsidies | 655,362 |
| **Net Cash Provided by Noncapital Financing Activities** | 655,362 |
| **Cash Flows from Capital and Related Financing Activities:** | |
| Principal Paid on Notes | (13,320) |
| Capital Assets Purchased | (6,178) |
| Interest Paid on Notes | (27,126) |
| **Net Cash Used in Capital and Related Financing Activities** | (46,624) |
| **Cash Flows from Investing Activities:** | |
| Interest on Investments | 45 |
| **Net Cash Provided by Investing Activities** | 45 |
| Net Increase in Cash and Cash Equivalents | 49,024 |
| Cash and Cash Equivalents, Beginning of Year | 47,122 |
| **Cash and Cash Equivalents, End of Year** | $ 96,146 |
| **Reconciliation of Operating Loss to Net Cash Used in Operating Activities** | |
| Operating Loss | $ (671,819) |
| **Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:** | |
| Depreciation | 69,809 |
| Changes in Assets and Liabilities: | |
| Increase in Accrued Wages Payable | 18,766 |
| Decrease in Accounts Payable | (276) |
| Increase in Intergovernmental Payable | 23,761 |
| Total Adjustments | 112,060 |
| **Net Cash Used in Operating Activities** | $ (559,759) |

See accompanying notes to basic financial statements

## 1. Description of the Academy and Reporting Entity:

Springfield Academy of Excellence, Inc. (the Academy) is a state non-profit corporation established pursuant to the Ohio Rev. Code Chapters 3314 and 1702. The Academy's objective is to provide education in a nurturing environment that focuses on the development of the whole child. Emphasis is placed on academic achievement as well as physical, psychological, social, and ethical development. The Academy, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The Academy may acquire facilities as needed and contract for any services necessary for the operation of the Academy.

The Academy is a non-profit organization that has been determined by the Internal Revenue Service to be exempt from federal income taxes as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy's tax exempt status.

The Academy operates under the direction of a governing board of at least seven members. The Governing Board is responsible for carrying out the provisions of the contract which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The Governing Board controls the Academy's one instructional/support facility staffed by 18 non-certified and 16 certified full-time teaching personnel.

## 2. Summary of Significant Accounting Policies:

The financial statements of the Academy have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental non-profit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Academy 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 Academy has elected not to apply FASB statements and interpretations issued after November 30, 1989. The Academy's significant accounting policies are described below.

## 2. Summary of Significant Accounting Policies (continued):

### A. Basis of Presentation

The School'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.

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

### B. Measurement Focus and Basis of Accounting

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Assets. The Statement of Revenues, Expenses, and Changes 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 School finances and meets its cash flow needs.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized for reporting purposes.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Revenues resulting from non-exchange transactions, in which the School received value without directly giving equal value in return, such as grants, entitlements, and donations are recognized in the period in which all eligibility requirements have been satisfied. Expenses are recognized at the time they are incurred.

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 cost (expenses, including depreciation) 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.

### C. Budgetary Process

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### D. Cash and Cash Equivalents

All monies received by the Academy are maintained in a demand deposit account. For internal accounting purposes, the Academy segregates its cash. The Academy had no investments at June 30, 2010.

### E. Capital Assets and Depreciation

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market value as of the date donated. The Academy maintains a capitalization threshold of $500. The Academy has a school building which was constructed during the FY 05 school year.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed.

Depreciation of leasehold improvements, equipment, and buildings is computed using the straight-line method over estimated useful lives of seven, five, and forty years, respectively. Improvements to capital assets are depreciated over the remaining useful lives of the related capital assets.

### F. Intergovernmental Revenues

The Academy currently participates in the State Foundation Program and the State Parity Aid (DPIA) Program. Revenue received from these programs is recognized as operating revenue. These programs are recognized as operating revenues in the accounting period in which all eligibility requirements are met. Amounts awarded under the above programs for the 2010 school year totaled $1,490,226. Federal and state grants are recognized as non-operating revenues in the accounting period in which all eligibility requirements of the grant have been met.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year 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.

### G. Accounts Payable

The Academy has recognized certain liabilities on its statement of net assets relating to expenses for goods and services received but unpaid as of June 30, 2010.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### H. Wages Payable
Represent salary payments made after year-end that were for services rendered in fiscal year 2010. Teaching personnel are paid in 24 equal installments, ending with the last pay period in July, for services rendered during the previous school year. Therefore, a liability has been recognized at June 30, 2010 for all salary payment made to teaching personnel during the month of July 2010.

### I. Security Deposits
The Academy entered into several leases for the use of the building for the administration of the Academy, computer equipment, and a phone system, for which security deposits were paid at the signing of the agreement. These amounts are held by the respective leasor/vendor.

### J. 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 less any outstanding capital related debt. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Academy applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

### K. Operating and Non-Operating Revenues and Expenses
Operating revenues are those revenues that are generated directly by the Academy's primary activities. For the Academy, operating revenues include foundation payments and disadvantaged pupil impact aid received from the State of Ohio and charges for services. Operating expenses are necessary costs incurred to support the Academy's primary activities, including depreciation.

Non-operating revenues and expenses are those that are not generated directly by the Academy's primary activities. Various state and federal grants, as well as interest revenue and expense comprise the non-operating revenues and expenses of the Academy.

### L. Estimates
The preparation of 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 these estimates.

## 3. Cash Deposits:

At June 30, 2010, the carrying amount of the Academy's deposits was $96,146 and the bank balance was $45,520, all of which was covered by the Federal Deposit Insurance Corporation (FDIC).

## 4. Intergovernmental Receivables:

Receivables at June 30, 2010, consisted of intergovernmental grants from the Federal and State and local governmental sources, which is considered to be collectible in full and included the following principal components:

| Grant Program | |
|---|---|
| Title I Grant | $15,582 |
| Food Service Reimbursement | 7,107 |
| Title II-A Innovative Grant | 638 |
| Title II-D Technology | 153 |
| Title I School Improvement | 2,907 |
| Special Ed. IDEA-B | 13,436 |
| Intergovernmental Receivable | $39,823 |

## 5. Capital Assets:

A summary of the Academy's capital assets at June 30, 2010 follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|---|---|---|---|
| **Capital Assets:** | | | | |
| Buildings | $ 498,505 | $ - | $ - | $ 498,505 |
| Leasehold Improvements | 308,495 | - | - | 308,495 |
| Equipment | 125,119 | 6,178 | - | 131,297 |
| **Total Assets** | $ 932,119 | $ 6,178 | $ - | $ 938,297 |
| | | | | |
| **Depreciation:** | | | | |
| Buildings | $ (53,084) | $ (13,271) | $ - | $ (66,355) |
| Leasehold Improvement | (220,354) | (44,071) | - | (264,425) |
| Equipment | (98,032) | (12,467) | - | (110,499) |
| **Accumulated Depreciation** | $(371,470) | $ (69,809) | $ - | $(441,279) |
| | | | | |
| **Net Capital Assets** | $ 560,649 | $ 63,631 | $ - | $ 497,018 |

## 6. Risk Management:

**Property and Liability** – The Academy is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2010, the Academy contracted with Cincinnati Insurance Co. for property, general liability, auto, and excess liability insurance. Property is covered for $237,900 and contents are insured for $343,900. There is a deductible of $250 and property and contents are 90% co-insured. Commercial general liability covers each single occurrence for $1 million with a $2 million general aggregate limit. The excess liability is covered for $1 million for each occurrence and $1 million in the aggregate.

There has been no significant reduction in coverage in relation to the prior fiscal year. Settled claims have not exceeded commercial coverage in any of the last three fiscal years.

**Worker's Compensation** – The Academy pays the State Worker's Compensation System a premium for employee injury by the State.

**Employee Insurance Benefits** – The Academy has contracted through an independent agent to provide employee medical insurance to its full-time employees who work 25 or more hours per week.

## 7. Notes Payable:

The activity of the Academy's promissory notes payable is summarized as follows:

| Obligation | Beginning Balance | Principal Payments | Ending Balance | Amount Due in One Year |
|---|---|---|---|---|
| Construction loan – Huntington National Bank at 7.64% | $357,310 | $ 13,320 | $343,990 | $ 14,374 |
| | $357,310 | $ 13,320 | $343,990 | $ 14,374 |

The Academy entered into a construction loan with Huntington National Bank for the construction of a new school building. The total amount of the loan was set at $409,998. The interest rate was set at Prime plus one (1%). For the fiscal year 2010 the interest rate was 7.64%. The loan was guaranteed in full by the Church of Jesus, Inc., a related party, through a third mortgage secured on a real property located at 623 South Center Street, Springfield, Ohio. In addition, the Ohio School Facilities Commission has guaranteed 85% of the project for the first 15 years of the loan.

## 7. Notes Payable (continued):

Future principal obligations of the loan are as follows:

| Fiscal Year Ending June 30, | Principal | Interest |
|---|---|---|
| 2011 | $ 14,374 | $ 25,784 |
| 2012 | 15,511 | 24,647 |
| 2013 | 16,739 | 23,419 |
| 2014 | 18,059 | 22,099 |
| 2015 | 16,647 | 23,511 |
| Thereafter | 262,660 | 96,833 |
| Total | $ 343,990 | $ 216,293 |

## 8. Defined Benefit 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 and disability 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 the School Employees Retirement System, 300 East Board Street, Suite 100, Columbus, Ohio 43215-3746, by calling (800) 878-5853 or by visiting the SERS website at www.ohsers.org under Forms and Publications.

**Funding Policy**

Plan members are required to contribute 10% of their annual covered salary and the Academy is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2010, the allocation to pension and death benefits is 12.78%. The remaining 1.22% of the 14% employer contribution rate is allocated to Health Care and Medicare B Funds. The Academy's contributions to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were $29,452, $25,906, and $34,968, respectively, which equaled the required contributions for the year.

## 8. Defined Benefit Pension Plans (continued):

### B. State Teachers Retirement System

Plan Description - The Academy participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. 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, Ohio 43215-3371, by calling (614) 227-4090, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times percentage that varies based on years of service, or an allowance based on member 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% 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 DB 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 services who become 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 amount balance.

### Funding Policy

For the fiscal year ended June 30, 2010, plan members were required to contribute the statutory maximum of 10% of their annual covered salaries. The Academy was required to contribute 14%; 13% 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% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

## 8. Defined Benefit Pension Plans (continued):

The Academy's contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008, were $118,793, $105,770, and $96,648 respectively, which equaled the required contributions for the year.

**C. Social Security System**
Effective July 1, 1991, all employees not otherwise covered by SERS/STRS Ohio have an option to choose Social Security or SERS/STRS Ohio. The Academy's liability is 6.2% of wages paid. No employees have elected to participate in Social Security.

## 9. Post-Employment Benefits

**A. School Employee Retirement System**
**Plan Description**
The Academy participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System 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 and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. 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.

**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 401h. For 2010, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2010, the amount was $35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility, and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were $9,587, $7,698, and $10,390 respectively; 100 percent has been contributed for fiscal year 2010, 2009, and 2008.

## 9. Post-Employment Benefits (continued):

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2010, this actuarially required allocation was .76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal year ended June 30, 2010, 2009, and 2008 were $1,751, $1,406, and $1,898 respectively. 100 percent have been contributed for fiscal years 2010, 2009, and 2008.

### B. State Teachers Retirement System

**Plan Description**

Academy contributes to the cost sharing multiple employer defined benefit Health 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 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 School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were $9,138, $7,555, and $6,903 respectively; 100 percent have been contributed for fiscal years 2010, 2009, and 2008.

## 10. Contingencies:

### A. Grants

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts, which may be disallowed, if any, are not presently determinable. However, in the opinion of the Academy, any such disallowed claims will not have a material adverse effect on the financial position of the Academy.

### B. Full Time Equivalency

The Ohio Department of Education conducts reviews of enrollment data and FTE calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The results of the review could result in state funding being adjusted. The Ohio Department of

## 10. Contingencies (continued):

Education completed its review of the Academy's enrollment data for fiscal year 2010, which resulted in a negative adjustment to the funding received of $2,711.

**C. Litigation**
A lawsuit was filed in Franklin County Common Pleas Court on May 14, 2001, alleging that Ohio's Community (i.e. Charter) Schools program violates the state constitution and state laws. On April 21, 2003, the Court dismissed the counts containing constitutional claims and stayed the other counts pending appeal of the constitutional issues. The plaintiffs appealed to the Court of Appeals, the issues have been briefed, and the case was heard on November 18, 2003. On August 24, 2004, the Court of Appeals rendered a decision that Community Schools are part of the State public educational system and this matter was sent to the Ohio Supreme Court. The effect of this suit, if any, on the Academy is not presently determinable.

## 11. Operating Leases:

The Academy is leasing the use of land, office and classroom space, and various pieces of equipment through operating leases with the Church of Jesus Family Worship Center (the Church) , a related party, the Precious Gifts Day Care Center (the Day Care Center) , a related party, and Modular Designs. Lease obligations paid to the Church for fiscal year 2010 totaled $42,000. Lease obligations to the Day Care Center totaled $2,100 in fiscal year 2010. Lease obligations paid to Modular Designs totaled $61,800.

Individual lease obligations include:

- A ninety-nine year lease between the Church and the Academy which stipulates the Academy will be permitted to use Church grounds for an annual fee of one dollar for construction of the new school building. For fiscal year 2010, the lease was forgiven by the Church. Lease payments are expected to remain the same for the remaining term of the lease.
- An agreement with Modular Designs for 12 double-unit modular systems. This lease is renewable annually. During fiscal year 2010, the Academy paid $5,150 per month for a total of $61,800 to Modular Designs related to this lease. Lease payments are expected to remain the same for subsequent periods of this lease.
- A lease of the Annex and other building space from the Church, beginning October 1, 2001 through July 1, 2010 in the amount of $3,500 per month. This lease is renewable annually. During fiscal year 2010, the Academy paid $42,000 related to this lease agreement.
- The Academy leases food storage space and freezer space and certain equipment from the Day Care Center. This lease is renewable annually. Lease obligations related to these items totaled $2,100 during the fiscal year 2010. Lease payments are expected to remain the same for the remaining term of the leases.

## 12. Related Parties:

During the fiscal year ended June 30, 2010, the Academy made payments on several lease agreements with the Day Care Center and the Church, which are affiliated with the Director and a Trustee of the Academy. The Director is the operator of the Day Care Center and the Trustee is the Pastor of the Church. The transactions are detailed in Note 11. Lease expenses recognized and paid to the Day Care Center were $42,000 and lease expenses recognized and paid to the Church were $2,100 for the fiscal year ended June 30, 2010.

## 13. Purchased Services:

During the fiscal year ended June 30, 2010, other purchased service expenses for services rendered by various vendors were as follows:

| | |
|---|---|
| Professional and technical services | $ 153,247 |
| Property services | 15,002 |
| Communications | 14,958 |
| Utilities | 29,710 |
| Other | 68,060 |
| Total | $ 280,977 |

## 14. Sponsorship Agreement

Effective July 1, 2006, the School entered into a five-year agreement with the Fordham Foundation to serve as its Sponsor. Sponsorship fees paid in the amount of $21,257 are reflected as “Purchased Services” in the Statement of Revenue, Expenses, and Change in Net Assets.

**SPRINGFIELD ACADEMY OF EXCELLENCE**
**CLARK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

| **FEDERAL GRANTOR/** *Pass Through Grantor/* Program Title | **Federal CFDA Number** | **Receipts** | **Disbursements** |
|---|---|---|---|
| **U.S. DEPARTMENT OF AGRICULTURE** | | | |
| *Passed Through Ohio Department of Education* | | | |
| Cash Assistance | | | |
| National School Lunch Program | 10.555 | $121,358 | $96,421 |
| Total Child Nutrition Cluster | | 121,358 | 96,421 |
| | | | |
| Total U.S. Department of Agriculture | | 121,358 | 96,421 |
| | | | |
| **U.S. DEPARTMENT OF EDUCATION** | | | |
| *Passed Through Ohio Department of Education* | | | |
| Title I Grants to Local Educational Agencies 536-9010 | 84.010 | 57,093 | 52,396 |
| Title I SI Grants to Local Educational Agencies 572-9109 | 84.010 | 27,574 | 25,316 |
| Title I Grants to Local Educational Agencies 572-9009 | 84.010 | 22,962 | 15,522 |
| Title I Grants to Local Educational Agencies 572-9010 | 84.010 | 162,810 | 151,012 |
| ARRA Title I Grants to Local Educational Agencies 572-932N | 84.389 | 54,420 | 52,152 |
| Total Title I | | 324,859 | 296,398 |
| | | | |
| School Improvement Grants | 84.377 | 2,063 | 2,063 |
| Total School Improvement Grants | | 2,063 | 2,063 |
| | | | |
| Special Education Cluster: | | | |
| Special Education Grants to States 516-9009 | 84.027 | 8,133 | 0 |
| Special Education Grants to States 516-9010 | 84.027 | 41,641 | 42,501 |
| IDEA Early Childhood State Grants 587-9010 | 84.173 | 556 | 556 |
| ARRA IDEA Early Childhood Grants to State 587-932N | 84.392 | 1,859 | 1,859 |
| ARRA Special Education Grants to States 516-932N | 84.391 | 28,892 | 25,577 |
| Total Special Education Cluster | | 81,081 | 70,493 |
| | | | |
| ARRA Budget Stabilization | 84.394 | 99,848 | 99,848 |
| Total Budget Stabilization | | 99,848 | 99,848 |
| | | | |
| Drug Free School Grants to State 584-9009 | 84.186 | 0 | 107 |
| Drug Free School Grants to State 584-9010 | 84.186 | 1,897 | 1,897 |
| Total Drug Free School | | 1,897 | 2,004 |
| | | | |
| Education Technology State Grants 599-9009 | 84.318 | 3 | 0 |
| Education Technology State Grants 533-932N | 84.318 | 1,325 | 1,479 |
| Total Education Technology | | 1,328 | 1,479 |
| | | | |
| Improving Teacher Quality State Grants 590-9009 | 84.367 | 4,809 | 750 |
| Improving Teacher Quality State Grants 590-9010 | 84.367 | 10,911 | 9,954 |
| Total Improving Teacher Quality | | 15,720 | 10,704 |
| | | | |
| Total U.S. Department of Education | | 526,796 | 482,989 |
| | | | |
| Total Federal Assistance | | $648,154 | $579,410 |

See notes to the Schedule of Expenditures of Federal Awards

**Springfield Academy of Excellence**
**Clark County**
**Note to the Schedule of Expenditures of Federal Awards**
**For the Year Ended June 30, 2010**

## 1. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") reflects the expenditures of the Springfield Academy of Excellence under programs financed by the U.S. government for the year ended June 30, 2010. The Schedule has been prepared in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," using the cash basis of accounting in accordance with accounting principles generally accepted in the United States of America.

For purposes of the Schedule, federal awards include the following:

- Direct federal awards
- Pass-through funds received from non-federal organizations made under federally sponsored programs conducted by those organizations.

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

Springfield Academy of Excellence
Clark County
623 S. Center St.
Springfield, Ohio 45506

To the Board of Trustees:

We have audited the financial statements of the Springfield Academy of Excellence, Clark County (the "School") as of and for the year ended June 30, 2010, and have issued a report thereon dated December 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

## Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the School's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School'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 School'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 School's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the School in a separate letter dated December 29, 2010.

This report is intended solely for the information and use of the finance committee, the Board of Trustees, management, and federal awarding agencies and pass-through entities and others within the School. It is not intended to be and should not be used by anyone other than these specified parties.

***Charles E. Harris & Associates, Inc.***
December 29, 2010

**Charles E. Harris & Associates, Inc.**
*Certified Public Accountants*

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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *OMB CIRCULAR A-133***

Springfield Academy of Excellence
Clark County
623 S. Center St.
Springfield, Ohio 45506

To the Board of Trustees:

Compliance

We have audited the compliance of Springfield Academy of Excellence, Clark County (the School) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the School's major federal program. The School's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School's compliance with those requirements.

In our opinion, the Springfield Academy of Excellence, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2010.

Internal Control Over Compliance

The School's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

This report is intended for the information of the finance committee, the Board of Trustees, management and federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.

***Charles E. Harris and Associates, Inc.***
December 29, 2010

**SCHEDULE OF FINDINGS**
***OMB CIRCULAR A-133 SECTION .505***

**SPRINGFIELD ACADEMY OF EXCELLENCE**
**CLARK COUNTY**
**June 30, 2010**

## 1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---|---|---|
| (d)(1)(i) | *Type of Financial Statement Opinion* | Unqualified |
| (d)(1)(ii) | *Were there any material control weaknesses reported at the financial statement level (GAGAS)?* | No |
| (d)(1)(ii) | *Were there any significant deficiencies reported at the financial statement level (GAGAS)?* | No |
| (d)(1)(iii) | *Was there any reported material non-compliance at the financial statement level (GAGAS)?* | No |
| (d)(1)(iv) | *Were there any material internal control weaknesses reported for major federal programs?* | No |
| (d)(1)(iv) | *Were there any significant deficiencies reported for major federal programs?* | No |
| (d)(1)(v) | *Type of Major Programs' Compliance Opinion* | Unqualified |
| (d)(1)(vi) | *Are there any reportable findings under Section .510* | No |
| (d)(1)(vii) | *Major Programs:* | Title I CFDA #84.010<br>ARRA-Title I CFDA 84.389 |
| (d)(1)(viii) | *Dollar Threshold: Type A\B Programs* | Type A:>$300,000<br>Type B: All Others |
| (d)(1)(ix) | *Low Risk Auditee?* | No |

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

None.

## 3. FINDINGS FOR FEDERAL AWARDS

None.

## STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of June 30, 2009, reported no material citations or recommendations.

Dave Yost • Auditor of State

**SPRINGFIELD ACADEMY OF EXCELLENCE**

**CLARK 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**
**MARCH 3, 2011**

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