



Dave Yost • Auditor of State



**LEARNING WITHOUT LIMITS  
MARION COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Learning Without Limits  
Marion County  
100 Executive Drive  
Marion, OH 43302

To the Board of Directors:

We have audited the accompanying basic financial statements of Learning Without Limits, Marion County, Ohio, (the Academy), a component unit of Tri-Rivers Educational Computer Association, as of and for the year ended June 30, 2011, 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 Learning Without Limits, Marion County, Ohio, as of June 30, 2011, 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.

As disclosed in Note 8, the Academy formally ceased operations on June 29, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2012, 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, 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.

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

**Dave Yost**  
Auditor of State

May 2, 2012

**LEARNING WITHOUT LIMITS  
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

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The discussion and analysis of Learning Without Limits' (LWL) financial performance provides an overall review of LWL's financial activities for the fiscal year ended June 30, 2011. Readers should also review the basic financial statements and notes to enhance their understanding of LWL's financial performance.

**Highlights**

LWL began operations in July 2010, and served 31 students during fiscal year 2011. At the conclusion of the 2011 school year, LWL was closed.

**Using the Basic Financial Statements**

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

The statement of net assets and the statement of revenues, expenses, and change in net assets reflect how LWL did financially during fiscal year 2011. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These statements report LWL's net assets and the change in those assets. This change in net assets is important because it tells the reader whether the financial position of LWL has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating.

Table 1 provides a summary of LWL's net assets for fiscal year 2011:

Table 1  
Net Assets

	<u>2011</u>
<u>Assets:</u>	
Current Assets	<u>\$3</u>
 <u>Net Assets:</u>	
Unrestricted	<u>\$3</u>

**LEARNING WITHOUT LIMITS  
MARION COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED  
(Continued)**

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Table 2 reflects the change in net assets for fiscal year 2011.

Table 2  
Change in Net Assets

	<u>2011</u>
<u>Operating Revenues:</u>	
Foundation	\$176,858
<u>Non-Operating Revenues:</u>	
Grants	18,081
Interest Revenue	<u>3</u>
Total Revenues	194,942
<u>Operating Expenses:</u>	
Purchased Services	<u>194,939</u>
Increase in Net Assets	3
Net Assets at Beginning of Year	<u>0</u>
Net Assets at End of Year	<u><u>\$3</u></u>

Fiscal year 2011 was the only year of operation for LWL.

**Budgeting**

Learning Without Limits is not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705.

**Current Issues**

LWL was sponsored by the Thomas B. Fordham Foundation. On May 31, 2011, the Board of Directors approved closing Learning Without Limits upon completion of instruction of students on June 29, 2011, and the dissolution of the Board of Directors, effective July 31, 2011.

**Contacting LWL's Financial Management**

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of LWL's finances and to reflect LWL's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Scott Armstrong, Treasurer, Learning Without Limits, 100 Executive Drive, Marion, Ohio 43302.



LEARNING WITHOUT LIMITS  
MARION COUNTY

STATEMENT OF NET ASSETS  
JUNE 30, 2011

Assets:

Current Assets:

Cash and Cash Equivalents	<u><u>\$3</u></u>
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Net Assets:

Unrestricted	<u><u>\$3</u></u>
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See Accompanying Notes to Basic Financial Statements

**LEARNING WITHOUT LIMITS  
MARION COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Operating Revenues:</u>	
Foundation	\$176,858
<u>Operating Expenses:</u>	
Purchased Services	<u>194,939</u>
Operating Loss	<u>(18,081)</u>
<u>Non-Operating Revenues</u>	
Grants	18,081
Interest Revenue	<u>3</u>
Total Non-Operating Revenues	<u>18,084</u>
Change in Net Assets	3
Net Assets at Beginning of Year	<u>0</u>
Net Assets at End of Year	<u><u>\$3</u></u>

See Accompanying Notes to the Basic Financial Statements

LEARNING WITHOUT LIMITS  
MARION COUNTY

STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities:

Cash Received from Foundation	\$176,858
Cash Payments for Goods and Services	<u>(194,939)</u>
Net Cash Used for Operating Activities	(18,081)

Cash Flows from Noncapital Financing Activities:

Cash Received from Grants	18,081
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Cash Flows from Investing Activities:

Cash Received from Interest	<u>3</u>
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Net Increase in Cash and Cash Equivalents	3
Cash and Cash Equivalents at Beginning of Year	<u>0</u>
Cash and Cash Equivalents at End of Year	<u><u>\$3</u></u>

Reconciliation of Operating Loss

to Net Cash Used for Operating Activities:

Operating Loss	<u><u>(\$18,081)</u></u>
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See Accompanying Notes to the Basic Financial Statements

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**LEARNING WITHOUT LIMITS  
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**Note 1 - Description of the School**

Learning Without Limits (LWL) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. LWL is an approved 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 LWL's tax exempt status. LWL's objective is to provide an innovative, site-based learning option for students who are seeking a customized and focused education that is not available in a conventional classroom environment. LWL serves students, ages 14-22, and offers coursework and learning opportunities sufficient to enable students to obtain a high school diploma in a timely manner. The program uses technology and other learning tools to reach students who have a desire for, and whose education can be optimized by, a customized educational program. The program is assembled from among the varied learning opportunities offered by LWL, based upon the individual student's needs and preferences.

LWL was approved for operation under a contract with the Thomas B. Fordham Foundation (the Sponsor) commencing on July 1, 2010, for a period of one year. The Sponsor is responsible for evaluating the performance of LWL and has the authority to deny renewal of the contract at its expiration. The Board of Directors is responsible for the operations of LWL.

LWL operates under the direction of a five-member Board of Directors appointed by Tri-Rivers Educational Computer Association (TRECA). TRECA can impose its will upon LWL; therefore, LWL is a component unit of TRECA. The Board of Directors 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. TRECA, under a contractual agreement, provides instructional staff and support faculty to LWL. LWL provides services to 31 students.

TRECA is an association of public school districts within the boundaries of Athens, Carroll, Champaign, Crawford, Cuyahoga, Delaware, Erie, Fairfield, Franklin, Greene, Hamilton, Hancock, Jackson, Knox, Licking, Logan, Lorain, Marion, Montgomery, Morrow, Muskingum, Portage, Seneca, Tuscarawas, Union, Wood, and Wyandot Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of TRECA consists of six representatives from the participating school districts and the superintendent from Tri-Rivers Joint Vocational School.

**Note 2 - Summary of Significant Accounting Policies**

The basic financial statements of LWL have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. LWL 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. LWL does not apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989. Following are the more significant of the LWL's accounting policies.

**LEARNING WITHOUT LIMITS  
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**A. Basis of Presentation**

LWL'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.

LWL uses enterprise accounting to maintain its financial records during the fiscal year. Enterprise accounting focuses on the determination of operating income, change 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**

LWL is accounted for using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of LWL are included on the statement of net assets. The statement of revenues, expenses, and change in net assets presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The statement of cash flows reflects how LWL finances and meets its cash flow needs.

**C. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. LWL's financial statements are prepared using the accrual basis of accounting. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded when the exchange takes place. Revenues resulting from nonexchange transactions, in which LWL receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which LWL must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to LWL on a reimbursement basis. Expenses are recognized at the time they are incurred.

**D. Budgetary Process**

Unlike other public schools located in the State of Ohio, community schools are not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided by LWL's contract with its Sponsor. The contract between LWL and its Sponsor does prescribe an annual budget requirement in addition to preparing a 5-year forecast, which is updated on an annual basis.

**E. Cash and Cash Equivalents**

Cash held by LWL is reflected as "Cash and Cash Equivalents" on the statement of net assets. Investments with an original maturity of three months or less at the time they are purchased are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments. During fiscal year 2011, LWL had no investments.

**LEARNING WITHOUT LIMITS  
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**F. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consists of capital assets, net of accumulated depreciation. 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. LWL first applies restricted resources when an expense is incurred for which both restricted and unrestricted net assets are available. LWL did not have any restricted net assets at fiscal year end.

**G. Operating Revenues and Expenses**

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

**H. 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 those estimates.

**Note 3 - Deposits**

At fiscal year end, the carrying amount of LWL's deposits was \$3 and the bank balance was \$3. The entire bank balance was covered by federal depository insurance.

**Note 4 - Fiscal Agent**

The Comprehensive Service Agreement between LWL and TRECA, adopted May 4, 2010, establishes the services of the Treasurer to be included in those supplied by TRECA to LWL.

The Treasurer of TRECA shall perform the following functions while serving as the Treasurer of LWL:

- A. Maintain the financial records of LWL in the same manner as are financial records of school districts, pursuant to rules of the Auditor of State;
- B. Comply with the policies and procedures regarding internal financial control of LWL; and
- C. Comply with the requirements and procedures for financial audits by the Auditor of the State.

**LEARNING WITHOUT LIMITS  
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

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**Note 5 - Contract with TRECA**

On May 4, 2010, LWL entered into a contract with TRECA for management consulting services. Under the contract, the following terms were agreed upon:

1. TRECA shall provide instructional, supervisory/administrative, and technical services sufficient to implement LWL's educational plan.
2. All personnel providing services to LWL on behalf of TRECA under the agreement shall be employees of TRECA and TRECA shall be solely responsible for all payroll functions, including retirement system contributions, and all other legal withholding and/or payroll taxes with respect to such personnel. All shall possess any certification or licensure which may be required by law.
3. The technical services provided by TRECA to LWL shall include access to, and the use of, computer software, computer hardware, networking hardware, network services, and the services of technical support personnel necessary to implement the plan of operation.

To obtain TRECA's June 30, 2011, audited financial statements, please contact Scott Armstrong, Treasurer, at [scott@treca.org](mailto:scott@treca.org).

**Note 6 - Related Party Transactions**

The five-member board of LWL consists of members appointed by TRECA and TRECA has the ability to impose its will upon LWL. This makes LWL a component unit of TRECA. As part of LWL's contractual agreement dated May 4, 2010, with TRECA for fiscal year 2011, LWL is required to pay TRECA the following fees:

1. Annual Fee - If and at such times as agreed to by the parties, LWL shall pay an annual fee to TRECA for curriculum and program development, teacher training, and marketing services associated with LWL.
2. Ongoing Fees - On an ongoing basis, LWL shall pay TRECA 100 percent of the funding received by LWL from the Ohio Department of Education pursuant to section 3314.08 of the Ohio Revised Code.
3. Other Payments - As permitted by law, LWL shall additionally pay TRECA funds received by LWL from grants or other sources for services provided by TRECA, provided TRECA's provision of such services is consistent with the terms of, and fulfill LWL's obligations pursuant to, such grants and other funding.

Payments made by LWL to TRECA in fiscal year 2011 were \$194,939. This consists of the \$176,858 in base formula funds and \$18,081 in fees for which LWL obtained grant monies.



**LEARNING WITHOUT LIMITS  
MARION COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

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**Note 7 - Contingencies**

**A. Grants**

LWL 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 is 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 LWL at June 30, 2011.

**B. Litigation**

There are currently no matters in litigation with LWL as a defendant.

**C. Full Time Equivalency**

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by community 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 conclusions of this review reflected that LWL has no receivable from or liability to the State.

**D. Risk Management**

LWL is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. LWL does not purchase its own liability insurance. TRECA contracted with Ohio School Plan to provide property and general liability insurance for LWL.

**Note 8 - Ceased Operations/Subsequent Events**

On May 31, 2011, the Board of Directors approved closing LWL upon the completion of instruction of students on June 29, 2011, and the dissolution of the Board of Directors effective on July 31, 2011.

As of May 2, 2012, LWL's bank balance of \$3 represented interest earned during June 2011. In addition, based upon LWL's contract with TRECA, LWL paid over to TRECA \$3,000 in Educational Management Information System (EMIS) receipts and \$15,081 in State Fiscal Stabilization Fund (SFSF) receipts during fiscal year 2011. As of May 2, 2012, these monies had neither been spent nor remitted to the Ohio Department of Education.

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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

Learning Without Limits  
Marion County  
100 Executive Drive  
Marion, OH 43302

To the Board of Directors:

We have audited the financial statements of Learning Without Limits, Marion County, Ohio, (the Academy) as of and for the year ended June 30, 2011, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated May 2, 2012 wherein we noted the Academy formally ceased operations on June 29, 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.

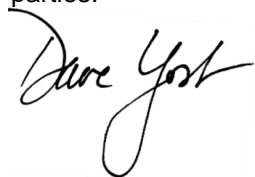
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Academy'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 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2011-001.

We intend this report solely for the information and use of 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.

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

**Dave Yost**  
Auditor of State

May 2, 2012

**LEARNING WITHOUT LIMITS  
MARION COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2011**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2011-001**

**Noncompliance Citation  
Closeout Procedures**

Ohio Rev. Code § 3314.074 establishes the order of the distribution of assets when a community school permanently closes and ceases operations. In addition, Ohio Rev. Code § 3314.015(E) provides that the Ohio Dept. of Education (ODE) shall adopt procedures for use by a community school governing authority and sponsor when the school closes. ODE's Office of Community Schools (OCS) issued "Community Schools Guidance Letter #2011-3", which contained the required procedures listing the actions to be taken by community school's Governing Authority (GA), Sponsors, and ODE when closing a community school.

The Office of Community Schools' "Community Schools Guidance Letter #2011-3", Sections II and III, require a charter school to do the following:

**II. Disposition of Assets**

Utilize only state dollars, auction proceeds, foundation dollars and other non-federal dollars to pay the following in order:

1. The sponsor should consult with its legal counsel prior to implementing this section to determine if there are any outstanding federal or state claims that may need to be paid first including but not limited to including federal and state taxes, Medicare, Workers Compensation, and city wage taxes. If applicable, provide documentation of any Workers Compensation Claims.
2. STRS/SERS/retirement systems and other adjustments.
3. Teachers and staff.
4. Private creditors or those entities that have secured a judgment against the school, including audit preparation and audit costs.
5. Any remaining funds shall be forwarded to ODE for redistribution to resident school districts consistent with ORC 3314.074(A).
6. If the assets of the school are insufficient to pay all persons or entities to which compensation is owed, the prioritization of the distribution of the assets to individual persons or entities within each class of payees may be determined by decree of a court in accordance section 3314.074 and Chapter 1702 of the Ohio Rev. Code.

**III. Preparation of Itemized Financials**

Review and prepare the following itemized financials:

1. Year-end financial statements, notes to the financial statements, and if applicable, schedule of federal awards.
2. A cash analysis for determination of the cash balance as of the closing date.
3. Compile bank statements for the year.
4. List of investments in paper hard copy format.
5. List of all payables and indicate when a check to pay the liability clears the bank.
6. List all unused checks.
7. List of any petty cash.
8. List of bank accounts, closing the accounts once all transactions are cleared.
9. List of all payroll reports including taxes, retirement or adjustments on employee contract.

**LEARNING WITHOUT LIMITS  
MARION COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2011  
(Continued)**

<p><b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b></p>
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**FINDING NUMBER 2011-001 (Continued)**

**Noncompliance Citation  
Closeout Procedures (Continued)**

10. List of all accounts receivable.
11. List of assets and their disposition.
12. Final FTE audit information.
13. Arrange for and establish a date for the Auditor of State to perform a financial closeout audit.

As of May 2, 2012, the Academy's bank account had not been closed and the balance of \$3 had not been remitted to ODE. In addition, based upon the Academy's contract with TRECA, the Academy paid over to TRECA \$3,000 in Education Management Information System (EMIS) receipts and \$15,081 in State Fiscal Stabilization Fund (SFSF) receipts during fiscal year 2011. As of May 2, 2012, these monies had neither been spent nor remitted to ODE.

We recommend the Governing Authority and/or the Sponsor contact ODE to rectify any outstanding items associated with the closing of the Academy.

**Officials' Response**

We did not receive a response from Officials to this finding.



# Dave Yost • Auditor of State

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

Learning Without Limits  
Marion County  
100 Executive Drive  
Marion, Ohio 43302

To the Board of Directors:

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

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Learning Without Limits (the Academy) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on April 5, 2011.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
  - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
  - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
  - (3) A procedure for reporting prohibited incidents;
  - (4) A procedure for documenting any prohibited incident that is reported;
  - (5) A procedure for responding to and investigating any reported incident;
  - (6) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;

- (7) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
- (8) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
- (9) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

3. We read the policy, noting it did not include the following requirements from Ohio Rev. Code Section 3313.666(A):

- (1) Violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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



**Dave Yost**  
Auditor of State

May 2, 2012





# Dave Yost • Auditor of State

**LEARNING WITHOUT LIMITS**

**MARION 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  
MAY 24, 2012**