



Dave Yost • Auditor of State

**SOUTHERN OHIO ACADEMY
SCIOTO COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Southern Ohio Academy
Scioto County
951 Vern Riffe Drive
Lucasville, Ohio 45648

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Southern Ohio Academy, Scioto County, Ohio (the Academy), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Academy's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Academy's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Southern Ohio Academy, Scioto County, Ohio, as of June 30, 2013, and the change in financial position and cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2014 on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

January 13, 2014

SOUTHERN OHIO ACADEMY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

The discussion and analysis of the Southern Ohio Academy's (the "Academy") financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2013. 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 notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

Financial Highlights

- Net Position totaled \$119,850.
- Total assets were \$125,263. Capital Assets, Net equaled \$1,702, while cash and cash equivalents amounted to \$123,561.
- Liabilities totaled \$5,413.

Using this Financial Report

This report consists of three parts, Management's Discussion and Analysis (MD&A), the basic financial statements, and notes to those statements. The basic financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position answer the question, "How did we do financially during fiscal year 2013?" These statements are prepared using the economic resources measurement focus. With this measurement focus, all assets and liabilities are reported, both short and long-term. These statements use the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the fiscal year, regardless of when the cash is received or paid.

Table 1 provides a summary of the Academy's net position for fiscal year 2013:

SOUTHERN OHIO ACADEMY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

(Table 1)
Net Position

	<u>2013</u>
Assets:	
Current Assets	\$123,561
Depreciable Capital Assets, Net	<u>1,702</u>
<i>Total Assets</i>	<u>125,263</u>
Liabilities:	
Current Liabilities	<u>5,413</u>
Net Position:	
Net Investment in Capital Assets	1,702
Unrestricted	<u>118,148</u>
<i>Total Net Position</i>	<u><u>\$119,850</u></u>

Net Position increased \$119,850, which was primarily due to current year Foundation Receipts exceeding expenses.

Table 2 shows the changes in net position for fiscal year 2013, as well as a listing of revenues and expenses.

SOUTHERN OHIO ACADEMY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

(Table 2)
Change in Net Position

	<u>2013</u>
Operating Revenues:	
Foundation Payments	\$479,045
Charges for Services	21,257
Non-Operating Revenues:	
Other Federal and State Grants	1,197
<i>Total Revenues</i>	<u>501,499</u>
Operating Expenses:	
Purchased Services	376,842
Materials and Supplies	3,363
Depreciation	94
Other Expenses	1,350
<i>Total Expenses</i>	<u>381,649</u>
Change in Net Position	119,850
<i>Net Position at Beginning of Year</i>	<u>0</u>
<i>Net Position at End of Year</i>	<u><u>\$119,850</u></u>

The Academy's business-type activities consist of enterprise activity. Community schools receive no support from taxes.

Capital Assets

At the end of fiscal year 2013, the Academy had \$1,702 invested in equipment, which included the purchase of a copier. For more information on capital assets see Note 4 to the basic financial statements.

Contacting the Academy's Financial Management

This financial report is designed to provide our citizens with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have questions about this report or need additional information, contact Andrew T. Riehl, fiscal agent for the Southern Ohio Academy, at the South Central Ohio Educational Service Center, 522 Glenwood Avenue, New Boston, Ohio 45662, or by calling 740-354-0234.

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SOUTHERN OHIO ACADEMY

Statement of Net Position

June 30, 2013

Assets:

Current Assets:

Cash and Cash Equivalents \$123,561

Non-Current Assets:

Capital Assets:

Depreciable Capital Assets, Net 1,702

Total Assets 125,263

Liabilities:

Current Liabilities:

Accounts Payable 5,413

Net Position:

Net Investment in Capital Assets 1,702

Unrestricted 118,148

Total Net Position \$119,850

See accompanying notes to the basic financial statements

SOUTHERN OHIO ACADEMY
Statement of Revenues, Expenses and
Changes in Net Position
For the Fiscal Year Ended June 30, 2013

Operating Revenues:	
Foundation Payments	\$479,045
Charges for Services	21,257
	<hr/>
<i>Total Operating Revenues</i>	<u>500,302</u>
 Operating Expenses:	
Purchased Services	376,842
Materials and Supplies	3,363
Depreciation	94
Other Expenses	1,350
	<hr/>
<i>Total Operating Expenses</i>	<u>381,649</u>
 <i>Operating Income</i>	 118,653
 Non-Operating Revenues:	
Other Federal and State Grants	1,197
	<hr/>
<i>Change in Net Position</i>	119,850
 <i>Net Position at Beginning of Year</i>	 <hr/> 0
 <i>Net Position at End of Year</i>	 <u><u>\$119,850</u></u>

See accompanying notes to the basic financial statements

SOUTHERN OHIO ACADEMY
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

Increase (Decrease) in Cash and Cash Equivalents:

Cash Flows from Operating Activities:

Cash Received from Customers	\$21,257
Cash Received from Foundation Payments	479,045
Cash Payments to Suppliers for Goods and Services	(374,792)
Cash Payments to Others	<u>(1,350)</u>

<i>Net Cash Provided by Operating Activities</i>	<u>124,160</u>
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Cash Flows from Noncapital Financing Activities:

Federal and State Subsidies Received	<u>1,197</u>
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Cash Flows from Capital and Related Financing Activities:

Payments for Capital Acquisitions	<u>(1,796)</u>
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<i>Net Increase in Cash and Cash Equivalents</i>	123,561
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<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>0</u>
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<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$123,561</u></u>
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Reconciliation of Operating Income to Net

Cash Provided by Operating Activities:

Operating Income	<u>\$118,653</u>
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Adjustments to Reconcile Operating

Income to Net Cash Provided by Operating Activities:

Depreciation	94
Changes in Assets and Liabilities:	
Increase in Accounts Payable	<u>5,413</u>

Total Adjustments	<u>5,507</u>
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Net Cash Provided by Operating Activities	<u><u>\$124,160</u></u>
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See accompanying notes to the basic financial statements

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SOUTHERN OHIO ACADEMY
Notes To The Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

NOTE 1 - DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

The Southern Ohio Academy (the “Academy”) is a non-profit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to address the needs of students in grades seven through twelve. 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 sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy. Southern Ohio Academy qualifies as an 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.

On December 1, 2011, the Scioto County Career Technical Center (the “Sponsor”) entered into a contract with the Academy to be the Academy’s Sponsor effective July 1, 2012. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. The Sponsorship agreement is in place for a five year term ending on June 30, 2017.

The Academy operates under the direction of a nine-member Board of Directors. The Board membership consists of superintendents from the 10 participating school districts. Because ORC requires an odd number of members, the Board has determined that Board membership will rotate annually with one school district not being represented each year. 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. Work space for students is provided by the Sponsor as well as locations at each participating school district. The South Central Ohio Educational Service Center (the “ESC”) serves as fiscal agent for the Academy. All individuals working with the Academy are employees of the ESC. Salaries, benefits and associated costs are paid by the ESC. The Academy reimburses the ESC for these services.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Academy consists of all funds, departments, boards, and agencies that are not legally separate from the Academy. For the Academy, this includes general operations and student related activities of the Academy.

SOUTHERN OHIO ACADEMY
Notes To The Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

Component units are legally separate organizations for which the Academy is financially accountable. The Academy is financially accountable for an organization if the Academy appoints a voting majority of the organization's governing board and (1) the Academy is able to significantly influence the programs or services performed or provided by the organization; or (2) the Academy is legally entitled to or can otherwise access the organization's resources; the Academy is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Academy is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Academy in that the Academy approves the issuance of debt. Southern Ohio Academy has no component units.

The Southern Ohio Academy participates in one jointly governed organization, the South Central Ohio Computer Association Council of Governments (SCOCACoG). Information about this organization is presented in Note 7 to the basic financial statements.

NOTE 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 nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Academy's accounting policies are described below.

Basis Of Presentation

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

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

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

Measurement Focus

The accounting and financial reporting treatment of the Academy's financial transactions is determined by the Academy's measurement focus. Enterprise fund 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 Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows provides information about how the Academy finances and meets its cash flow needs.

SOUTHERN OHIO ACADEMY
Notes To The Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. Basis of accounting relates to the timing of the measurements made. The Academy's financial statements are prepared using the accrual basis of accounting.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the Academy receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the 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.

Expenses are recognized at the time they are incurred.

Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the Academy and its Sponsor. The contract between the Academy and its Sponsor does not prescribe a budgetary process for the Academy; therefore, no budgetary information is presented in the financial statements.

Cash and Cash Equivalents

The Academy's fiscal agent accounts for all monies received by the Academy. The Academy maintains a depository account for all funds of the Academy. This account is presented on the Statement of Net Position as "Cash and Cash Equivalents".

Capital Assets

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

SOUTHERN OHIO ACADEMY
Notes To The Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 20 years

Net Position

Net Position represents the difference between all other elements on a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Academy applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the Academy. These revenues consist of charges for services and foundation receipts. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the Academy. Revenues and expenses not meeting this definition are reported as non-operating.

Intergovernmental Revenues

The Academy currently participates in the State Foundation Program. Revenue received from this program is recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

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

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.

SOUTHERN OHIO ACADEMY
Notes To The Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

NOTE 3 - CASH DEPOSITS

At June 30, 2013, the carrying amount of all Academy deposits and the bank balance was \$123,561. Based on the criteria described in GASB Statement 40, “*Deposit and Investments Risk Disclosure*,” as of June 30, 2013, the entire bank balance was covered by Federal Deposit Insurance Corporation.

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2013, was as follows:

	Balance 6/30/12	Additions	Deletions	Balance 6/30/13
Capital Assets Being Depreciated:				
Furniture, Fixtures and Equipment	\$0	\$1,796	\$0	\$1,796
Less Accumulated Depreciation:				
Furniture, Fixtures and Equipment	0	(94)	0	(94)
Capital Assets, Net	\$0	\$1,702	\$0	\$1,702

NOTE 5 - RISK MANAGEMENT

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2013, the Academy contracted with Argonaut Insurance for property liability insurance.

NOTE 6 – PURCHASED SERVICES

For the period July 1, 2012 through June 30, 2013, purchased service expenses included the following:

Type	Amount
Professional and Technical Services	\$152,634
Equipment and Support Services	195,107
Internet Installations and Service	13,760
Accounting Services	14,371
Other	970
Total	\$376,842

SOUTHERN OHIO ACADEMY
Notes To The Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

NOTE 7 - JOINTLY GOVERNED ORGANIZATION

South Central Ohio Computer Association Council of Governments (SCOCA)

The School District is a participant in the South Central Ohio Computer Association Council of Governments (SCOCACoG), which is organized under ORC Code Chapter 167 as a council of governments. SCOCACoG is an association of public school districts within the boundaries of Pickaway, Gallia, Adams, Brown, Highland, Pike, Ross, Scioto, Vinton, Jackson, and Lawrence 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 SCOCACoG consists of two representatives from each county in the SCOCACoG service region designated by the Ohio Department of Education and two representatives of the school treasurers. The Board exercises total control over the operations of SCOCACoG including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The Academy did not pay SCOCACoG for services provided during the fiscal year. Financial information can be obtained from the SCOCA Council of Governments, Sandra Benson, Fiscal Officer, at P.O. Box 596, 175 Beaver Creek Rd., Piketon, Ohio, 45661.

NOTE 8 - CONTINGENCIES

Litigation

The Academy is not party to any legal proceedings.

NOTE 9 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2013, the Academy has implemented Governmental Accounting Standard Board (GASB) *Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements," Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and Statement No. 65, "Items Previously Reported as Assets and Liabilities," and Statement No. 66, "Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62."*

GASB Statement No. 62 incorporates into GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the Academy's financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the Academy's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

SOUTHERN OHIO ACADEMY
Notes To The Basic Financial Statements
For The Fiscal Year Ended June 30, 2013

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the Academy's fiscal year 2013 financial statements.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the Academy's financial statements.

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Dave Yost • Auditor of State

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

Southern Ohio Academy
Scioto County
951 Vern Riffe Drive
Lucasville, Ohio 45648

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Southern Ohio Academy, Scioto County, Ohio (the Academy), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated January 13, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Academy's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Academy's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Academy's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Academy's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Academy's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Dave Yost
Auditor of State

Columbus, Ohio

January 13, 2014



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURE

Southern Ohio Academy
Scioto County
951 Vern Riffe Drive
Lucasville, Ohio 45648

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 the Southern Ohio Academy, Scioto County, Ohio (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. The Board adopted an anti-harassment policy on October 5, 2012 prohibiting harassment, intimidation, or bullying as required by Ohio Rev. Code 3313.666(B). The Academy included the required elements in its anti-harassment policy with the following exceptions:
 - a. 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;
 - b. A procedure for documenting any prohibited incident that is reported;
 - c. A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
 - d. A requirement that the administration semiannually provide the president of the board a written summary of all reported incidents and post the summary on its web site, if the community school 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.

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.

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

Dave Yost
Auditor of State

Columbus, Ohio

January 13, 2014



Dave Yost • Auditor of State

SOUTHERN OHIO ACADEMY

SCIOTO 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 11, 2014**