



Dave Yost • Auditor of State

**HEIR FORCE COMMUNITY SCHOOL
ALLEN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2014	3
Basic Financial Statements – For the Fiscal Year Ended June 30, 2014:	
Statement of Net Position	7
Statement of Revenues, Expenses, and Changes in Net Position	8
Statement of Cash Flows	9
Notes to the Basic Financial Statements	11
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	27
Independent Accountants' Report on Applying Agreed-Upon Procedure	29

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Heir Force Community School
Allen County
150 West Grand Avenue
Lima, Ohio 45801

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Heir Force Community School, Allen County, Ohio (the School), as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School'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 School'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 School'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 the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Heir Force Community School, Allen County, Ohio, as of June 30, 2014, and the changes in its financial position and its cash flows for the fiscal 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*, 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 May 23, 2016 on our consideration of the School'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 School's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

May 23, 2016

Heir Force Community School
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

The management's discussion and analysis of the Heir Force Community School (the "School") financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the School'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 during fiscal year 2014 are as follows:

- Total net position of the School increased \$56,600 during the fiscal year. Ending net position of the School was \$640,687 compared with \$584,087 at June 30, 2013.
- Total assets increased \$5,958 from the prior fiscal year and total liabilities decreased by \$50,642 during this same 12 month period.
- The School's operating loss for fiscal year 2014 was \$413,407 compared with an operating loss of \$339,798 reported for the prior fiscal year.
- Total revenues increased by \$275,544 while operating expenses increased by \$338,234 over those reported for the prior fiscal year.

Using the Basic Financial Statements

This financial report contains the basic financial statements of the School, as well as the Management's Discussion and Analysis and Notes to the Basic Financial Statements. The basic financial statements include a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. As the School reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentations information is the same.

Statement of Net Position

The Statement of Net Position answers the question, "How did we do financially during the fiscal year?" This statement includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic resources focus, 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 year, regardless of when the cash is received or paid.

This statement reports the School's net position; however, in evaluating the overall position and financial viability of the School, non-financial information such as the condition of the School's property and potential changes in the laws governing charter schools in the State of Ohio will also need to be evaluated.

Heir Force Community School
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Financial Analysis

Table 1 provides a summary of the School's net position for 2014 and 2013:

Table 1
Net Position

	2014	2013
Assets:		
Current Assets	\$ 649,427	\$ 652,918
Security Deposits	12,000	12,000
Capital Assets, Net	119,839	110,390
Total Assets	781,266	775,308
Liabilities		
Current Liabilities	140,579	191,221
Total Liabilities	140,579	191,221
Net Position:		
Net Investment in Capital Assets	119,839	110,390
Restricted	105,560	76,656
Unrestricted	415,288	397,041
Total Net Position	\$ 640,687	\$ 584,087

Capital Assets, Net and Net Investment in Capital Assets both increased significantly in comparison with the prior fiscal year-end. This increase represents the amount in which current year capital acquisitions exceeded current year depreciation.

Current Liabilities decreased significantly in comparison with the prior fiscal year-end. This decrease is the result of a decrease in accounts payable due to the timing of cash flows.

The total net position reported for fiscal year 2014 increased by \$56,600. The information on the following page demonstrates the details of the increase.

Heir Force Community School
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Table 2 provides a summary of the School's change in net position for 2014 and 2013:

Table 2
Changes in Net Position

	2014	2013
Operating Revenues:		
Foundation Revenues	\$ 1,990,515	\$ 2,011,972
Other Unrestricted Grants-In-Aid	36,521	6,445
Economic Disadvantaged Funding	261,351	-
Extracurricular Activities	2,105	1,920
Food Services	2,707	2,331
Classroom Fees	16,814	22,720
Total Operating Revenue	<u>2,310,013</u>	<u>2,045,388</u>
Operating Expenses:		
Salaries	1,132,541	1,070,595
Fringe Benefits	328,941	288,349
Purchased Services	901,715	733,339
Materials and Supplies	308,268	247,827
Depreciation	26,580	23,216
Other Operating Expenses	25,375	21,860
Total Operating Expenses	<u>2,723,420</u>	<u>2,385,186</u>
Non-Operating Revenues:		
Federal Grants	458,627	445,834
State Grants	3,824	2,852
Interest	-	45
Contributions and Donations	-	503
Other	7,556	9,854
Total Non-Operating Revenues	<u>470,007</u>	<u>459,088</u>
Change in Net Position	56,600	119,290
Net Position, Beginning of Year	<u>584,087</u>	<u>464,797</u>
Net Position, End of the Year	<u>640,687</u>	<u>584,087</u>

Operating Revenues and Operating Expenses both increased significantly in comparison with the prior fiscal year. These increases are the result of increased student enrollment from 299 students in fiscal year 2013 to 318 students in fiscal year 2014.

Heir Force Community School
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Capital Assets

At the end of fiscal year 2014, the School had \$119,839 invested in leasehold improvements and furniture and equipment, an increase of \$9,449 in comparison with the prior fiscal year. This increase represents the amount by which current year additions, totaling \$36,029, exceeded current year depreciation, totaling \$26,580. See Note 5 of the basic financial statements for additional details.

Debt

The School had no debt outstanding during the fiscal year.

Contacting the School's Financial Management

This financial report is designed to provide a general overview of the finances of the Heir Force Community School and to show the School'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 the Treasurer of Heir Force Community School, 150 West Grand Avenue, Lima, Ohio 45801.

**HEIR FORCE COMMUNITY SCHOOL
ALLEN COUNTY**

STATEMENT OF NET POSITION
AS OF JUNE 30, 2014

Assets:

Current Assets	
Cash and Cash Equivalents	\$ 560,630
Intergovernmental Receivable	44,117
Prepaid Items	<u>44,680</u>
Total Current Assets	<u>649,427</u>
Noncurrent Assets	
Security Deposit	12,000
Capital Assets, Net	<u>119,839</u>
Total Noncurrent Assets	<u>131,839</u>
Total Assets	<u>781,266</u>

Liabilities:

Current Liabilities	
Accounts Payable	5,653
Accrued Wages and Benefits Payable	98,163
Intergovernmental Payable	<u>36,763</u>
Total Current Liabilities	<u>140,579</u>
Total Liabilities	<u>140,579</u>

Net Position:

Net Investment in Capital Assets	119,839
Restricted	105,560
Unrestricted	<u>415,288</u>
Total Net Position	<u>\$ 640,687</u>

See accompanying notes to the basic financial statements.

**HEIR FORCE COMMUNITY SCHOOL
ALLEN COUNTY**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Operating Revenues:	
Foundation Payments	\$ 1,990,515
Other Unrestricted Grants-In-Aid	36,521
Economic Disadvantaged Funding	261,351
Extracurricular Activities	2,105
Food Services	2,707
Classroom Fees	16,814
Total Operating Revenues	2,310,013
 Operating Expenses:	
Salaries	1,132,541
Fringe Benefits	328,941
Purchased Services	901,715
Materials and Supplies	308,268
Depreciation	26,580
Other	25,375
Total Operating Expenses	2,723,420
Operating Loss	(413,407)
 Non-Operating Revenues:	
Federal Grant Revenue	458,627
State Grant Revenue	3,824
Other	7,556
Total Non-Operating Revenues	470,007
Change in Net Position	56,600
Net Position Beginning of Year	584,087
Net Position End of Year	\$ 640,687

See accompanying notes to the basic financial statements.

**HEIR FORCE COMMUNITY SCHOOL
ALLEN COUNTY**

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Cash Flows from Operating Activities:	
Received from State of Ohio	\$ 2,288,387
Received from Extracurricular Activities	2,105
Received from Food Services	2,708
Received from Classroom Fees	16,814
Payments to Suppliers for Goods and Services	(1,285,622)
Payments to Employees for Services and Benefits	(1,471,050)
Payments for Other Operating Disbursements	(29,398)
Net Cash Used for Operating Activities	<u>(476,056)</u>
Cash Flows from Noncapital Financing Activities:	
Federal Grants Received	462,421
State Grants Received	3,824
Other Non-Operating Receipts	7,556
Net Cash Provided by Noncapital Financing Activities	<u>473,801</u>
Cash Flows from Capital and Related Financing Activities:	
Payments for Capital Acquisitions	(36,029)
Net Cash Used for Capital and Related Financing Activities	<u>(36,029)</u>
Net Decrease in Cash and Cash Equivalents	(38,284)
Cash and Cash Equivalents at Beginning of Year	598,914
Cash and Cash Equivalents at End of Year	<u>\$ 560,630</u>

See accompanying notes to the basic financial statements.

**HEIR FORCE COMMUNITY SCHOOL
ALLEN COUNTY**

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Operating Loss	\$ (413,407)
Adjustments to Reconcile Operating Loss to Net	
Cash Used for Operating Activities:	
Depreciation	26,580
Changes in Assets and Liabilities:	
Intergovernmental Receivable	2,262
Accounts Receivable	318
Prepaid Items	(41,167)
Accounts Payable	(46,872)
Accrued Wages	755
Intergovernmental Payable	(4,525)
Net Cash Used for Operating Activities	<u>\$ (476,056)</u>

See accompanying notes to the basic financial statements.

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 1 – Description of the School and Reporting Entity

Heir Force Community School (the School) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The School's primary focus is to provide ability-centered education that prepares children for a successful future both academically and socially. The School guides and establishes learning experiences that assist each student in discovering and developing his or her individuality and talents in becoming a mature, responsible, civil and productive member of society. The School, which is part of the State's education program, is independent of any school district and is non sectarian in its programs, admission policies, employment practices, and all other operations. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School.

The School was approved for operation under a contract with the Lucas County Educational Service Center, now known as the Educational Service Center of Lake Erie West, (the Sponsor) for a period commencing July 7, 2004 to June 30, 2009. The contract has since been amended and is automatically extended or renewed each year, unless terminated or non-renewed based on the terms of the contract. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School operates under the direction of a Governing Board (the Board). The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The Governing Board controls the School's instructional/support facility staffed by 13 non-certified and 23 certified teaching personnel who provide services to 318 students.

The School entered into a service agreement with Mangen & Associates to provide certain financial and accounting services, including performing all duties required of the Treasurer of the School (Note 14).

Note 2 – Summary of Significant Accounting Policies

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America 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. The School's most significant accounting policies are described below.

A. Basis of Presentation

The School's 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. Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows.

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Measurement Focus

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School finances and meets the cash flow needs of its enterprise activities.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The School'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 School 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 year when the resources are required to be used or the fiscal year when use is permitted; matching requirements, in which the School must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School 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 budgetary provisions set forth in Ohio Rev. Code Section 5705, unless specifically provided in the Schools contract with its Sponsor. The contract between the School and its Sponsor does prescribe an annual budget requirement in addition to preparing a five-year forecast which is to be updated on an annual basis.

E. Cash and Cash Equivalents

All monies received by the School are maintained in a demand deposit account. For internal accounting purposes, the School segregates its cash into separate funds.

For the purpose of the statement of cash flows and for the presentation of the statement of net position, investments with original maturities of three months or less at the time they are purchased by the School are considered to be cash equivalents.

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 2 – Summary of Significant Accounting Policies (Continued)

F. Capital Assets

Capital assets are capitalized at cost (or estimated historical cost) 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 School does not possess any infrastructure. The School maintains a capitalization threshold of \$1,500. Improvements are capitalized. The cost 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.

All reported capital assets are depreciated. Improvements to capital assets are depreciated over the remaining useful life of the related capital assets. Depreciation is computed using the straightline method over the following useful lives:

<u>Description</u>	<u>Estimate Life</u>
Furniture, Fixtures, and Equipment	5 years
Leasehold Improvements	10-15 years

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

H. Intergovernmental Revenue

The School is a participant in the State Foundation Program. In addition, State distributes, among all public schools, a percentage of proceeds received from the tax on gross casino revenue, to be used to support primary and secondary education. Foundation funding and casino revenues are recognized as operating revenues in the accounting period in which they are earned, essentially the same as the fiscal year received. Federal and state grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements of the grants have been met.

I. Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly by the School's primary mission. For the School, operating revenues include revenues paid through the State Foundation Program and Other Unrestricted Grants-In-Aid distributed from the State's proceeds of the tax on gross casino revenue. Operating expenses are necessary costs incurred to support the School's primary mission, including salaries, benefits, purchased services, materials and supplies, depreciation and other.

Non-operating revenues and expenses are those that are not generated directly by the School's primary mission. Various federal and state grants, interest earnings and expense, if any, and contributions comprise the non-operating revenues and expenses of the School.

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 2 – Summary of Significant Accounting Policies (Continued)

J. Accrued Liabilities Payable

The School has recognized certain liabilities on its Statement of Net Position relating to expenses, which are due but unpaid as of June 30, 2014, including (1) wages and benefits payable, consisting of salary and benefit payments made after year-end to instructional and support staff for services rendered prior to year-end, (2) accounts payable, consisting of payments due for services or goods that were rendered or received during fiscal year 2014, and (3) intergovernmental payables, consisting of payments made after year-end for the Schools' share of retirement contributions, Medicare and Workers' Compensation associated with services rendered during the fiscal year.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School did not have any deferred outflows of resources at fiscal year-end.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School did not have any deferred inflows of resources at fiscal year-end.

L. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, less any outstanding capital related debt. Net position is 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 School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 3 – Deposits

Custodial credit risk is the risk that in the event of bank failure, the School will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School.

The School had no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred and five percent of the deposits being secure.

At June 30, 2014, the carrying amount of the School's deposits was \$560,630 and the bank balance was \$600,138. Of the bank balance, \$250,000 was collateralized under FDIC and the remaining amount was uninsured. Although all statutory requirements for the deposit of public money had been followed, non-compliance with federal requirements could potentially subject the School to a successful claim by the FDIC.

Note 4 – Intergovernmental Receivables

Receivables at June 30, 2014 consisted of accounts receivables and intergovernmental receivables arising from grants and entitlements. All receivables are considered collectable in full. A summary of intergovernmental receivables follows:

<u>Funding Source</u>	<u>Amount</u>
Federal Grants:	
IDEA-B	\$ 8,640
Title I	22,739
CRRS (Food Service)	12,738
Total Intergovernmental Receivables:	<u>\$ 44,117</u>

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 5 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014 is as follows:

Capital Assets:	Beginning Balance	Additions	Deletions	Ending Balance
Leasehold Improvements	\$ 73,816	\$ 36,029	\$ -	\$ 109,845
Furniture and Equipment	441,120	-	-	441,120
Total Capital Assets	514,936	36,029	-	550,965
 Less Accumulated Depreciation:				
Leasehold Improvements	(32,620)	(6,722)	-	(39,342)
Furniture and Equipment	(371,926)	(19,858)	-	(391,784)
Total Accumulated Depreciation	(404,546)	(26,580)	-	(431,126)
 Net Capital Assets	 \$ 110,390	 \$ 9,449	 \$ -	 \$ 119,839

Note 6 – Leases

A. Operating Leases

The School leases land and school facilities located at 2000 North Cole Street and 150 West Grand from Cornerstone Harvest Church. On July 1, 2013, the School amended each of the two leases. The amended lease agreements contained require lease payments of \$25,000 and \$18,000 per month, respectively.

On January 1, 2014, the School amended the lease agreements again, combining the two lease agreements into one lease agreement. The combined lease agreement contains require payments of \$35,000 per month and continues through June 30, 2016.

Operating lease payments to Cornerstone Harvest Church during the fiscal year totaled \$503,000.

The School has a operating lease with US Bank Corporation for the use of a copiers for \$919.5 a month. Payments made for this operating lease totaled \$11,034 for the fiscal year.

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 6 – Leases (Continued)

The following is a schedule of the future minimum payments required under the operating leases as of June 30, 2014:

Year Ended	School Facilities	Copiers	Total
June 30, 2015	\$ 420,000	\$ 11,034	\$ 431,034
June 30, 2016	420,000	11,034	431,034
June 30, 2017	-	11,034	11,034
June 30, 2018	-	11,034	11,034
Total	<u>\$ 840,000</u>	<u>\$ 44,136</u>	<u>\$ 884,136</u>

The minimum rental payments owed on the contracts mentioned above are not expected to change during the terms of those contracts.

Note 7 – Defined Benefit Plans

(a) School Employees Retirement System

Plan Description - The School contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The School Employees Retirement System issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website at www.ohsers.org under Employer/Audit Resources.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the School 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 statutory maximum amounts, 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, 2014, the allocation to pension and death benefits is 13.10%. The remaining 0.90% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The School's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2014, 2013, and 2012 were \$49,810, \$37,836, and \$28,725, respectively. The entire amount has been contributed for fiscal years 2012 and 2013. For fiscal year 2014, the School has contributed 66% of the required amount. The unpaid contribution has been recorded as a liability.

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 7 – Defined Benefit Pension Plans (Continued)

(b) State Teachers Retirement System

Plan Description - The School contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling toll-free 1-888-227-7877 or by visiting the STRS Ohio Web site at www.strsoh.org.

Plan Options – New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit”, the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. 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. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 7 – Defined Benefit Pension Plans (Continued)

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Funding Policy – Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 11% for members and 14% for employers. Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2014, were 11% of covered payroll for members and 14% for employers. The School's required contributions for pension obligations for the fiscal years ended June 30, 2014, 2013, and 2012 were \$97,167, \$100,891, and \$90,715, respectively. The entire amount has been contributed for fiscal years 2012 and 2013. For fiscal year 2014, the School has contributed 88% of the required amount. The unpaid contribution has been recorded as a liability.

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 8 – Post-employment Benefits

(a) School Employees Retirement System

Plan Description – In addition to a cost-sharing multiple-employer defined benefit pension plan the School Employees Retirement System of Ohio (SERS) administers two cost-sharing, multiple employer postemployment benefit plans.

Medicare Part B Plan – The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2014 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

Funding Policy – The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2014, the actuarially required allocation is .76%. The School's required contributions for the years ended June 30, 2014, 2013, and 2012 were \$2,890, \$2,137, and \$1,696, respectively. The entire amount has been contributed for fiscal years 2012 and 2013. For fiscal year 2014, the School has contributed 66% of the required amount. The unpaid contribution has been recorded as a liability.

Health Care Plan – ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2014, the health care allocation is .14%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. State law provides that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the minimum compensation level was established at \$20,250. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School's contributions assigned to health care, including the surcharge, for the years ended June 30, 2014, 2013, and 2012 were \$4,874, \$6,394, and \$6,747, respectively. The entire amount has been contributed for fiscal years 2012 and 2013. For fiscal year 2014, the School has contributed 66% of the required amount. The unpaid contribution has been recorded as a liability.

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 8 – Post-employment Benefits (Continued)

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status. The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under Employers/Audit Resources.

(b) State Teachers Retirement System

Plan Description - The School contributes to the cost-sharing, multiple employer postemployment benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by writing 275 E. Broad St., Columbus, OH 43215-3371, by calling 1-888-227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

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 2014, STRS Ohio allocated employer contributions equal to 1% of covered payroll to post-employment health care. The School's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012 were \$7,474, \$7,761, and \$6,978, respectively. The entire amount has been contributed for fiscal years 2012 and 2013. For fiscal year 2014, the School has contributed 88% of the required amount. The unpaid contribution has been recorded as a liability.

Note 9 - Restricted Net Position

The nature of the School's net position restrictions at fiscal year-end are as follows:

<u>Description</u>	<u>Amount</u>
Food Service Program	\$ 96,903
Fund Raising Activities	5,136
Extracurricular Activities	211
Title I Grant	3,310
	<u>\$ 105,560</u>

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 10 – Risk Management

- A. Property and Liability** - The School 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 2014, the School contracted with Ralph E. Wade Insurance Agency for property and general liability insurance as follows.

Commercial General Liability	\$ 1,000,000
General Aggregate	3,000,000
Automobile Liability	1,000,000
Excess Liability	1,000,000
Directors and Officers Liability	1,000,000
Directors and Officers Aggregate	3,000,000
Umbrella	2,000,000

There was no significant reduction in coverage from the prior year. Settlement amount have not exceeded coverage amounts in each of the past three years.

- B. Workers' Compensation** - The School pays the State Worker's Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is determined by the State.
- C. Employee Medical and Dental Benefits** - The School contracted through independent agents to provide employee medical, dental, and vision insurance to its full time employees who work 30 or more hours a week. The School pays 80 percent of the monthly premiums for all selected coverage with the remaining coverage paid by the employee.

Note 11 – Contingencies

- A. Grants** - The School 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 of the General Fund or other applicable funds. The effect of any such disallowed claims on the overall financial position of the School at June 30, 2014, if applicable, cannot be determined at this time. However, in the opinion of the School, any such disallowed claims will not have a material adverse effect on the financial position of the School at fiscal year-end.
- B. State Funding** - 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. There has been a review for the 2013-2014 school year; however, the conclusion of this review did not have a material effect on the financial statements.

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 12 – Purchased Services

During the fiscal year, purchased service expenses for services rendered by various vendors were as follows:

Professional Services	\$ 1,800
Instructional Improvement	38,651
Health Services	75
Management Services	66,600
Legal Services	1,902
Other Professional and Technical Services	97,363
Garbage Removal and Cleaning	7,049
Repairs and Maintenance Services	107,828
Rentals	489,707
Other Property Services	15,670
Meeting Expenses	7,241
Postage	1,511
Advertising	1,673
Utilities	58,962
Transportation Services	2,095
Other Purchased Services	3,588
Total	<u>\$ 901,715</u>

Note 13 – Related Parties

The School has leased classroom space and an Impact Center from Cornerstone Harvest Church and also pays maintenance costs with the lease of this space. The Pastor of the Cornerstone Harvest Church is also a member of the Board of Directors of the School.

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 14 – Fiscal Agent

Beginning July 1, 2008, the School was a party to a fiscal services agreement with Mangen & Associates (M&A) LLC, which is an education finance consulting company. The Agreement's term was for a twelve month period beginning July 1st and may be terminated by either party, with or without cause, by giving the other party ninety days written notice to terminate. The Agreement provided that M&A will perform treasurer and financial support services.

The School and M&A entered into a new three-year agreement, commencing July 1, 2011 and ending on June 30, 2014 for continued treasurer and financial support services. Payments totaling \$66,600 were paid during the year.

The following is a summary of the services M&A will provide as Treasurer of the School, M&A

1. Treasurer of Record

- a. Signatory to certify availability of funds
- b. Establish appropriate checks and balances
- c. Oversee administration of payroll and payables
- d. Accommodate SERS and STRS filing and payment requirements
- e. Complete all required state and federal reports and financial EMIS data
- f. Plan and implement reserve growth plan and ORC 135 investments
- g. Prepare and oversee budget and long-term financial plan
- h. Ensure adherence to established board policies
- i. Provide equity position updates with budget
- j. Provide ongoing training and support to Director/Board in school funding and accounting
- k. Assistance with accessing and managing all government and private grants

2. Provide an efficient and effective accounting system

- a. Use a model purchase requisition, order, invoice, payment process
- b. Certify funds for all contracts and purchases over \$500
- c. Process receipts, payables, and payroll through State Software
- d. Secure copy of capital asset and inventory list from School
- e. Present monthly fund balances for each restricted and unrestricted fund
- f. Reconcile all bank statements and USAS reports monthly
- g. Provide monthly, quarterly, mid-year and annual financial information, including ending fund balances for each fund, receipts/disbursements summary, cash flow analysis, and year-to-date budget/actual analysis.

3. CCIP Grants Management- CCIP (Comprehensive Continuous Improvement Planning) and Competitive Grant Writing and Administration

- a. Coordinate efforts with Heir Force Community School educational leaders as well as the Treasurer to ensure efficient, effective and proper use of CCIP funds.
- b. Provide District CCIP Plan writing/editing assistance & CCIP budget coordination
- c. Provide ongoing CCIP budget reviews with treasurer
- d. Provide assistance with any CCIP carryover allocations
- e. Provide assistance with compliance/audit (PACTS). Director will be responsible for completing PACTS self-evaluation
- f. Draft Project Cash Requests and Final Expenditure Reports for treasurer approval

Heir Force Community School
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 15 – Change in Accounting Principle

For fiscal year 2014, the School has implemented the following:

GASB Statement No. 66 “Technical Corrections – 2012 - an Amendment of GASB Statements No. 10 and No. 62” resolves conflicting guidance that results from the issuance of GASB Statements No. 54 and No. 62. This Statement also amends GASB Statement No. 10 by removing the provision that limits fund-based reporting of an entity’s risk financing activities to the general fund and the internal service fund type. This Statement also amends GASB Statement No. 62 to clarify how to apply GASB Statement No. 13 and results in guidance that is consistent with GASB Statement No. 48. The implementation of this statement did not have an effect on the financial statements of the School.

GASB Statement No. 70 “Accounting and Financial Reporting for Nonexchange Financial Guarantees” enhances comparability of financial statements by requiring consistent reporting by those governmental entities that extend nonexchange financial guarantees and by those governmental entities that receive nonexchange financial guarantees. The implementation of this statement did not have an effect on the financial statements of the School.

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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*

Heir Force Community School
Allen County
150 West Grand Avenue
Lima, Ohio 45801

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 Heir Force Community School, Allen County, (the School) as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated May 23, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the School'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 School'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 School'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 School'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 School's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School'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

May 23, 2016

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Dave Yost • Auditor of State

Independent Accountants' Report on Applying Agreed-Upon Procedure

Heir Force Community School
Allen County
150 West Grand Avenue
Lima, Ohio 45801

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 procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Heir Force Community School (the School) 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 procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. In our report dated March 26, 2014, we noted the Board adopted an anti-harassment policy on December 12, 2007. However, this policy did not include all matters required by Ohio Rev. Code 3313.666.
2. The Board amended the policy on April 24, 2014. We read the amended policy, noting it still does not include the following requirements listed in Ohio Rev. Code 3313.666:

- (1) A statement prohibiting harassment, intimidation, or bullying of any student on a school bus.

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 procedure, 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 School's sponsor, and is not intended to be and should not be used by anyone other than these specified parties.

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

Dave Yost
Auditor of State

May 23, 2016



Dave Yost • Auditor of State

HEIR FORCE COMMUNITY SCHOOLS

ALLEN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 28, 2016**