



Mary Taylor, CPA
Auditor of State

FRANKLIN LOCAL COMMUNITY SCHOOL
MUSKINGUM COUNTY

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Franklin Local Community School
Muskingum County
P.O. Box 428
360 Cedar Street
Duncan Falls, Ohio 43734-0428

To the Board of Directors:

We have audited the accompanying financial statements of the Franklin Local Community School, Muskingum County, Ohio (the Community School), a component unit of Franklin Local School District, Muskingum County, Ohio, as of and for the year ended June 30, 2009, which collectively comprise the Community School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Community School's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Franklin Local Community School, Muskingum County, Ohio, as of June 30, 2009, and the change in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2009, on our consideration of the Community 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

November 2, 2009

**Franklin Local Community School
Muskingum County**

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited*

The discussion and analysis of the Franklin Local Community School's (FLCS) financial performance provides an overall review of the FLCS' financial activities for the period ended June 30, 2009. Readers should also review the basic financial statements and notes to enhance their understanding of the FLCS' financial performance.

Highlights

FLCS finished its sixth year of operation during fiscal year 2009 as a seventh through twelfth grade community school. FLCS was created on February 20, 2003, however, operations did not begin until October 2003. For the first four years, the school operated as an on-line digital academy. As the school grew and evolved, the Board of Directors determined that a regular instructional atmosphere was more academically effective than online based instruction. Prior to beginning fiscal year 2008, the school filed a new charter with the Ohio Department of Education and changed its name from the Franklin Local Digital Academy to the Franklin Local Community School. Enrollment varied during fiscal year 2009 but averaged 66 students.

Using this Annual Financial Report

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

The statement of net assets and the statement of revenues, expenses, and changes in net assets reflect how FLCS did financially during the period ended June 30, 2009. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the period revenues and expenses regardless of when cash is received or paid.

These statements report FLCS' net assets and changes in those assets. This change in net assets is important because it tells the reader whether the financial position of FLCS has increased or decreased during the period. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating.

FLCS uses enterprise presentation for all of its activities.

**Franklin Local Community School
Muskingum County**

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited*

Table 1 provides a summary of FLCS' net assets for 2009 compared to 2008:

Table 1 Net Assets			
	2009	2008	Change
<u>Assets:</u>			
Current Assets	\$246,951	\$300,867	(\$53,916)
Capital Assets	52,164	57,094	(4,930)
Total Assets	299,115	357,961	(58,846)
<u>Liabilities:</u>			
Current and Other Liabilities	138,418	77,292	61,126
<u>Net Assets:</u>			
Invested in Capital Assets	52,164	57,094	(4,930)
Unrestricted	108,533	223,575	(115,042)
Total Net Assets	\$160,697	\$280,669	(\$119,972)

FLCS had net assets of \$160,697 at fiscal year end, a decrease of \$119,972 from fiscal year 2008. Total assets of the FLCS decreased \$58,846 during fiscal year 2009. This decrease is directly attributable to the decrease in the cash fund balance due to both a decrease in funding through the state foundation and an increase in expenditures relating to increased staffing. State funding decreased in fiscal year 2009 due to a slight decrease in enrollment combined with a decrease in the number of special needs students which receive the highest pupil funding. In addition, in fiscal year 2008 the FLCS received a fiscal year 2007 student enrollment audit payment in the amount of \$47,849 and did not receive this payment in fiscal year 2009. FLCS receives foundation payments from the State based on the number of full-time equivalency students.

**Franklin Local Community School
Muskingum County**

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited*

Table 2 reflects the changes in net assets for the periods ended June 30, 2009 and June 30, 2008.

Table 2
Change in Net Assets

	<u>2009</u>	<u>2008</u>	<u>Change</u>
<u>Operating Revenues:</u>			
Foundation	\$481,133	\$622,925	(\$141,792)
<u>Non-Operating Revenues</u>			
Grants	120,440	60,642	59,798
Interest	7,278	14,446	(7,168)
Other	4,116	1,615	2,501
Total Revenues	<u>612,967</u>	<u>699,628</u>	<u>(86,661)</u>
<u>Operating Expenses:</u>			
Purchased Services	702,605	584,429	118,176
Materials and Supplies	13,583	12,812	771
Depreciation	15,817	15,449	368
Other Operating Expenses	934	325	609
Total Expenses	<u>732,939</u>	<u>613,015</u>	<u>119,924</u>
Total Increase in Net Assets	<u>(\$119,972)</u>	<u>\$86,613</u>	<u>(\$206,585)</u>

Foundation revenue decreased by \$141,792 in fiscal year 2009 due to a slight decrease in enrollment and a decrease in the number of special needs pupils that were enrolled. In addition, the FLCS received a 2007 student enrollment audit payment, in the amount of \$47,849 in fiscal year 2008, and the FLCS did not receive this payment in fiscal year 2009. Grant revenues increased \$59,798 mainly due to a new Title I School Improvement grant the FLCS received during fiscal year 2009. Purchased services increased in fiscal year 2009 by \$118,176 mainly due to the additional instructional services expenses and the hiring of one additional teacher. The FLCS also moved from the Franklin Local School District Middle School and is now located in the Roseville Elementary School. With this move, the FLCS agreed to pay an additional amount of salaries and benefits for the Roseville Elementary School administrative staff.

Budgeting

FLCS is not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705.

**Franklin Local Community School
Muskingum County**

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited*

Capital Assets and Debt Administration

Capital Assets

During fiscal year 2009, the FLCS had purchased desks and cabinets that were added to the capital asset listing. Accumulated depreciation at June 30, 2009, amounted to \$54,888; therefore, the capital assets figure net of accumulated depreciation was \$52,164.

Debt

FLCS did not incur any debt during fiscal year 2009.

Current Issues

As the Franklin Local Digital Academy grew and evolved, the Board of Directors determined that the students would achieve better in an atmosphere where regular instructional services were provided face-to-face rather than in an online environment. Prior to beginning fiscal year 2008, the school filed a new charter with the Ohio Department of Education and changed its name from the Franklin Local Digital Academy to the Franklin Local Community School, effective July 1, 2007.

Contacting the FLCS' Financial Management

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the FLCS' finances and to show the FLCS' accountability for the money it receives. If you have any questions about this report or need additional financial information contact Christopher K. Miller, Treasurer, Franklin Local Community School, P. O. Box 428, 360 Cedar Street, Duncan Falls, Ohio 43734. Or E-Mail at chris.miller@omeresanet.net.

**Franklin Local Community School
Muskingum County, Ohio**

*Statement of Net Assets
June 30, 2009*

<u>Assets:</u>	
Current Assets:	
Cash and Cash Equivalents	\$208,341
Intergovernmental Receivable	38,610
Total Current Assets	<u>246,951</u>
Noncurrent Assets:	
Depreciable Capital Assets, net	52,164
Total Assets	<u>299,115</u>
 <u>Liabilities:</u>	
Current Liabilities:	
Accounts Payable	43,505
Intergovernmental Payable	22
Due to Primary Government	94,891
Total Liabilities	<u>138,418</u>
 <u>Net Assets:</u>	
Invested in Capital Assets	52,164
Unrestricted	108,533
Total Net Assets	<u><u>\$160,697</u></u>

See accompanying notes to the basic financial statements

**Franklin Local Community School
Muskingum County, Ohio**

*Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended June 30, 2009*

<u>Operating Revenues:</u>	
Foundation	<u>\$481,133</u>
<u>Operating Expenses:</u>	
Purchased Services	702,605
Materials and Supplies	13,583
Depreciation	15,817
Other Operating Expenses	<u>934</u>
Total Operating Expenses	<u>732,939</u>
Operating Loss	<u>(251,806)</u>
<u>Non-Operating Revenues:</u>	
Grants	120,440
Interest	7,278
Other Non-Operating Revenues	<u>4,116</u>
Total Non-Operating Revenues	<u>131,834</u>
Change in Net Assets	(119,972)
Net Assets at Beginning of Year	<u>280,669</u>
Net Assets at End of Year	<u><u>\$160,697</u></u>

See accompanying notes to the basic financial statements

**Franklin Local Community School
Muskingum County, Ohio**

*Statement of Cash Flows
For the Fiscal Year Ended June 30, 2009*

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities:

Cash Received from Foundation	\$481,018
Other Non-Operating Revenues	4,150
Cash Payments to Suppliers for Goods and Services	(656,024)
Other Operating Expenses	(934)

Net Cash Used for Operating Activities (171,790)

Cash Flows from Noncapital Financing Activities:

Grants Received	81,830
Interest	7,278

Net Cash Provided by Noncapital
Financing Activities 89,108

Cash Flows from Capital and Related Financing Activities:

Acquisition of Capital Assets	(9,810)
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Net Increase in Cash and Cash Equivalents (92,492)

Cash and Cash Equivalents Beginning of Year 300,833

Cash and Cash Equivalents End of Year \$208,341

Reconciliation of Operating Loss to

Net Cash Used for Operating Activities:

Operating Loss (\$251,806)

Adjustments to Reconcile Operating Income
to Net Cash Used for Operating Activities:

Depreciation	15,817
Other Non-Operating Revenues	4,150

Changes in Liabilities:

Increase (Decrease) in Liabilities:

Accounts Payable	37,910
Intergovernmental Payable	(93)
Due to Primary Government	22,232

Net Cash Used for Operating Activities (\$171,790)

See accompanying notes to the basic financial statements

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**Franklin Local Community School
Muskingum County, Ohio**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

Note 1 - Description of the School

The Franklin Local Community School (FLCS) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. FLCS is an approved tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect FLCS' tax exempt status. FLCS' mission is to enhance and facilitate student learning by providing curriculum and instruction; innovative, collaborative leadership; and technical expertise and support that will prepare students to become lifelong learners and intelligent decision makers. The students may include, but will not be limited to, home schoolers; children with special physical and mental needs; students removed from the regular classroom for discipline concerns; students who need an alternative to the traditional classroom for various reasons, including religious reasons; transient students; and students with the Franklin Local School District, sponsor School District, that desire a specific course not currently offered but is available through online instruction.

The Franklin Local Digital Academy was created on February 20, 2003. Due to the changing needs of students within the Franklin Local School District (the Sponsor), the name was changed to the FLCS on July 1, 2007. At this time a new five year contract was agreed upon with the Sponsor. The Sponsor is responsible for evaluating the performance of FLCS and has the authority to deny renewal of the contract at its expiration. The Sponsor is also the fiscal agent of the FLCS with the Treasurer of the Sponsor completing the role of Treasurer for the FLCS.

FLCS operates under the direction of a five-member Board of Directors (Board) who are appointed from the public by the Sponsor. The members are public officials, public employees or community leaders demonstrating a professional interest in education or in other issues involving children and desires to further the objectives of the FLCS. FLCS is a component unit of the Sponsor. The Sponsor appoints a majority of the Board and is able to impose its will on the FLCS. The Sponsor can suspend the FLCS' operations for any of the following reasons: 1) The FLCS' failure to meet student performance requirements stated in its contract with the Sponsor; 2) The FLCS' failure to meet generally accepted standards of fiscal management; 3) The FLCS' violation of any provisions of the contract with the Sponsor or applicable state or federal law; or 4) Other good cause. The Board is responsible for carrying out the provisions of the contract which include, but are not limited to, helping create, approve, and monitor the annual budget, develop policies to guide operations, secure funding, and maintain a commitment to vision, mission, and belief statements of FLCS and the children it serves. During the fiscal year ended June 30 2009, the FLCS used instructional, support and administrative services from the Sponsor. FLCS' classrooms are located in the Sponsor's facilities.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the FLCS have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. FLCS also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The entity has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989. The more significant of the FLCS' accounting policies are described below.

**Franklin Local Community School
Muskingum County, Ohio**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

A. Basis of Presentation

The FLCS' basic financial statements consist of a statement of net assets; a statement of revenues, expenses, and changes in net assets; and a statement of cash flows.

FLCS uses a single enterprise presentation for its financial records. Enterprise reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows.

B. Measurement Focus

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

C. Basis of Accounting

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

D. Budgetary Process

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

E. Cash and Cash Equivalents

Cash received by FLCS is reflected as "Cash and Cash Equivalents" on the statement of net assets. FLCS had no investments during the fiscal year ended June 30, 2009.

F. Capital Assets

FLCS' capital assets during fiscal year 2009 consisted of computers, computer equipment, a phone system, a refrigerator, a copier, and furniture. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market values as of the date received. FLCS maintains a capitalization threshold of five hundred dollars. All of FLCS' reported capital assets are depreciated using the straight-line method. Equipment is depreciated over six to ten years and furniture is depreciated over twenty years of useful life.

**Franklin Local Community School
Muskingum County, Ohio**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

G. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by FLCS or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. FLCS applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The statement of net assets reports no restricted net assets and has no monies restricted by enabling legislation.

H. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of FLCS.

Operating expenses are necessary costs incurred to provide the service that is the primary activity of FLCS. All revenues and expenses not meeting this definition are reported as non-operating.

I. Estimates

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

Note 3 - Deposits

The following information classifies deposits by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

At June 30, 2009, the carrying amount of FLCS' deposits was \$208,341 and the bank balance was \$551,957. \$266,654 of the bank balance was covered by federal depository insurance. There are no significant statutory restrictions regarding the deposit and investment of funds by the nonprofit corporation.

Note 4 – Capital Asset Note

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Balance			Balance
	June 30, 2008	Additions	Deletions	June 30, 2009
Equipment	\$96,165	\$0	\$0	\$96,165
Furniture	0	10,887	0	10,887
Less Accumulated Depreciation	<u>(39,071)</u>	<u>(15,817)</u>	<u>0</u>	<u>(54,888)</u>
Capital Assets, Net	<u>\$57,094</u>	<u>(\$4,930)</u>	<u>\$0</u>	<u>\$52,164</u>

**Franklin Local Community School
Muskingum County, Ohio**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

Note 5 – Risk Management

FLCS is exposed to various risks of loss related to torts; errors and omissions; and natural disasters. During the fiscal year ended June 30, 2009, FLCS had liability insurance through the Franklin Local School District's policy.

Note 6 – Purchased Services

For the period July 1, 2008 through June 30, 2009, purchased service expenses were for the following services:

<u>Type</u>	<u>Amount</u>
Professional and Technical Services	\$693,285
Audit Services	5,306
Legal Services	4,014
Total	<u><u>\$702,605</u></u>

Note 7 - Related Party Transactions

Franklin Local School District, the Sponsor, appoints each of FLCS' five board members from the general public. FLCS is presented as a component unit of the Sponsor. For fiscal year 2009, \$699,050 was provided by the Sponsor for administrative, fiscal, and student services provided to FLCS. FLCS paid all but \$94,891 of this amount as of June 30, 2009. This amount is reflected as a Due to Primary Government in the financial statements.

Note 8 - Contingencies

A. Grants

FLCS received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the FLCS. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the FLCS at June 30, 2009.

B. Ohio Department of Education Enrollment Review

The Ohio Department of Education (ODE) conducts reviews of enrollment data and full time equivalency (FTE) calculations made by FLCS. These reviews are conducted to ensure FLCS is reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. During fiscal year 2009, FLCS paid \$115 to the State through their foundation revenues for an overpayment from fiscal year 2008 which was shown as an intergovernmental payable as of June 30, 2008. The fiscal year 2009 review has not been completed at this time.



Mary Taylor, CPA

Auditor of State

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

Franklin Local Community School
Muskingum County
P.O. Box 428
360 Cedar Street
Duncan Falls, Ohio 43734-0428

To the Board of Directors:

We have audited the financial statements of the Franklin Local Community School, Muskingum County, Ohio (the Community School), a component unit of Franklin Local School District, as of and for the year ended June 30, 2009 and have issued our report thereon dated November 2, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Community School's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Community School's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Community School's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Community School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Community School's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Community School's internal control will not prevent or detect a material financial statement misstatement.

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

Compliance and Other Matters

As part of reasonably assuring whether the Community 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, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

November 2, 2009



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Franklin Local Community School
Muskingum County
360 Cedar Street P.O. Box 428
Duncan Falls, Ohio 43734

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

1. We noted the Board adopted an anti-harassment policy at its meeting on May 22, 2008.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) 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;
 - (6) A procedure for documenting any prohibited incident that is reported;

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- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) 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 of Directors and is not intended to be and should not be used by anyone other than this specified party.



Mary Taylor, CPA
Auditor of State

November 2, 2009



Mary Taylor, CPA
Auditor of State

**FRANKLIN LOCAL COMMUNITY SCHOOL
MUSKINGUM 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
DECEMBER 8, 2009**