OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2011

Dave Yost • Auditor of State

OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

Oakstone Community School
Franklin County
5747 Cleveland Avenue
Columbus, OH 43231

To the Board:

We have audited the accompanying basic financial statements of Oakstone Community School, Franklin County, Ohio (the School), as of and for the year ended June 30, 2011 as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oakstone Community School, Franklin County, Ohio, as of and for the year ended June 30, 2011, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2012, 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. 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.

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Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the School's basic financial statements taken as a whole. The federal awards receipts and expenditure schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the basic financial statements. The federal awards receipts and expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dave Yost

Dave Yost
Auditor of State

February 22, 2012

OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY

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

The discussion and analysis of the Oakstone Community School's (the "School") financial performance provides an overall review of the School's financial activities for the year ended June 30, 2011. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2011 are as follows:

- In total, net assets were $370,207 at June 30, 2011.

- The School had operating revenues of $6,597,947, operating expenses of $7,288,593 and non-operating revenues of $770,334 for fiscal year 2011. Total change in net assets for the fiscal year was an increase of $79,193.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School's financial activities. The Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets provide information about the activities of the School, including all short-term and long-term financial resources and obligations.

Reporting the School's Financial Activities

Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets and the Statement of Cash Flows

These documents look at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year revenues and expenses regardless of when cash is received or paid.

These two statements report the School's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School as a whole, the financial position of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 7 and 8 of this report.

The Statement of Cash Flows provides information about how the School finances and meets the cash flow needs of its operations. The Statement of Cash Flows can be found on page 9 of this report.

The table below provides a summary of the School's assets, liabilities and net assets for fiscal year 2011 and 2010.

Assets, Liabilities and Net Assets

	2011	2010
Assets		
Current assets	$ 489,537	$ 344,182
Non-current assets, net	42,613	66,461
Total assets	532,150	410,643
Liabilities		
Current liabilities	148,539	110,513
Long term liabilities	13,404	9,116
Total liabilities	161,943	119,629
Net Assets		
Invested in capital assets	10,613	34,357
Restricted	32,000	32,000
Unrestricted	327,594	224,657
Total net assets	$ 370,207	$ 291,014

Current Assets increased in fiscal year 2011. This increase was the result of a large increase in cash, a slight increase in intergovernmental receivables offset by a slight decrease in prepaids. Intergovernmental receivables increased due to new federal funding. Prepaids for fringe benefits were utilized during 2011. The School's cash balance at June 30, 2011, was $460,444, an increase of $144,506 over 2010.

At June 30, 2011, capital assets represented 2% of total assets. Capital assets consisted of furniture and computer equipment. There is no debt related to these capital assets. Capital assets are used to provide services to the students and are not available for future spending.

Current liabilities increased in fiscal year 2011 due to larger accounts payable, accrued wages, and intergovernmental payable balances outstanding as of year end. The increase in accounts payable was due to larger attorney fee balances at year end. The increases in accrued wages and intergovernmental payable were related to changes in staffing levels.

The School's long term liabilities consist of compensated absences only.

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2011, the School's net assets were $370,207 compared to $291,014 at June 30, 2010. The School's net assets increased $79,193 during fiscal year 2011 primarily due to additional federal funding and controlling costs to increase cash reserves.

The table below shows the changes in net assets for fiscal year 2011 and 2010.

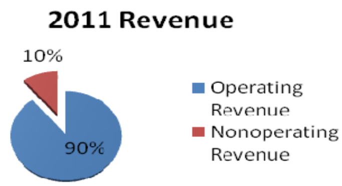
Change in Net Assets

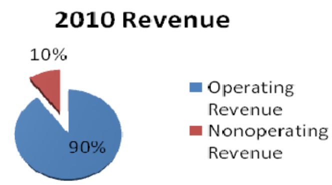
	2011	2010
Operating Revenues:		
State foundation	$ 6,442,542	$ 5,273,344
Charges for services	155,245	150,000
Other	160	-
Total operating revenue	6,597,947	5,423,344
Operating Expenses:		
Salaries and wages	691,255	529,042
Fringe benefits	177,149	166,981
Purchased services	6,388,873	5,196,221
Materials and supplies	5,699	2,078
Depreciation and amortization	25,617	43,036
Other	-	900
Total operating expenses	7,288,593	5,938,258
Non-operating Revenues:		
Federal and State grants	769,663	601,899
Donations	-	8
Interest income	671	266
Total non-operating revenues	770,334	602,173
Non-operating Expenses:		
Loss on Disposal of Capital Assets	495	-
Total non-operating expenses	495	-
Change in net assets	79,193	87,259
Net assets at beginning of year	291,014	203,755
Net assets at end of year	$ 370,207	$ 291,014

State foundation revenue (including State Stabilization funding of $549,175 received through federal grants) increased because enrollment for the School went from 202 students during fiscal year 2010 to 240 students during fiscal year 2011. Charges for services revenue increased as the School provided more education services to students placed in OCS classrooms. Interest income increased as interest rates increased slightly and more cash was on deposit earning interest. Federal and State grant revenue increased significantly due to increased allocations through the American Recovery and Reinvestment Act (including State Stabilization Funding) and the new funding from the Federal Education Jobs Program. In addition, the School utilized more federal funding during fiscal year 2011.

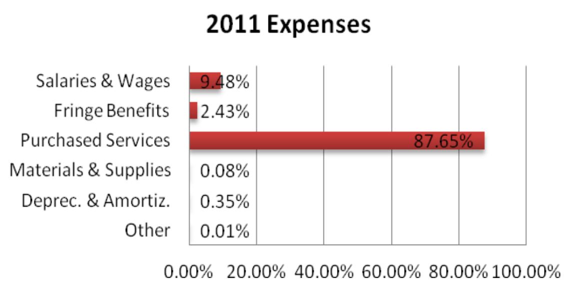
Salaries and wages increased during 2011 with the addition of another classroom, which required additional teaching staff. Purchased services increased due to the increase in enrollment and general increases in costs. Materials and supplies increased due to providing supplies for a new classroom.

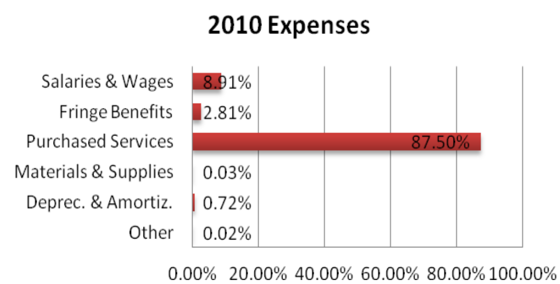
The charts below illustrate the revenues for the School during fiscal 2010 and 2009.





The charts below illustrate the expenses for the School during fiscal 2010 and 2009.





Capital Assets

At June 30, 2011, the School had $10,613 invested in furniture and computer equipment. Capital assets decreased $23,744 in 2011. The School had capital asset additions and disposals and also had $25,513 in depreciation expense for the year. See Note 4 to the basic financial statements for more detail on capital assets.

Debt Administration

The School had no debt outstanding during fiscal year 2011 or as of June 30, 2011.

Current Financial Related Activities

The School is sponsored by the Educational Service Center of Central Ohio. The School is reliant upon State Foundation monies and State and Federal Grants to offer quality, educational services to students. In order to continually provide learning opportunities to the School's students, the School will apply resources to best meet the needs of its students. It is the intent of the School to apply for other State and Federal funds that are made available to finance its operations.

Contacting the School's Financial Management

This financial report is designed to provide our clients and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Johanna Gladman, CPA, Fiscal Officer, Oakstone Community School, 5747 Cleveland Avenue, Columbus, Ohio 43231.

OACKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY

STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

Assets:	
Current Assets	
Cash	$ 460,444
Accounts Receivable	1,775
Intergovernmental Receivable	23,189
Prepaids	4,129
Total Current Assets	489,537
Non-Current Assets	
Security Deposit	32,000
Capital Assets (Net of Accumulated Depreciation)	10,613
Total Non-Current Assets	42,613
Total Assets	532,150
Liabilities:	
Current Liabilities	
Accounts Payable	71,554
Accrued Wages and Benefits	55,568
Intergovernmental Payable	21,417
Total Current Liabilities	148,539
Long-Term Liabilities:	
Compensated Absences	13,404
Total Liabilities	161,943
Net Assets:	
Invested in capital assets	10,613
Restricted for:	
Security Deposit	32,000
Unrestricted	327,594
Total Net Assets	$ 370,207

See accompanying notes to the financial statements.

OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY

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

Operating Revenues:	
State Foundation	$ 6,442,542
Charges for Services	155,245
Other	160
Total Operating Revenues	6,597,947
Operating Expenses:	
Salaries & Wages	691,255
Fringe Benefits	177,149
Purchased Services	6,388,873
Materials and Supplies	5,699
Depreciation and Amortization	25,617
Total Operating Expenses	7,288,593
Operating Loss	(690,646)
Non-Operating Revenues	
Federal and State Grants	769,663
Interest Income	671
Total Non-Operating Revenues	770,334
Non-Operating Expenses:	
Loss on Disposal of Capital Assets	495
Change in Net Assets	79,193
Net Assets, Beginning of Year	291,014
Net Assets, End of Year	$ 370,207

See accompanying notes to the financial statements.

OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY

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

Cash Flows from Operating Activities	
Cash Received from State Foundation	$ 6,441,378
Cash Payments for Salaries and Benefits	(832,068)
Cash Payments to Suppliers for Goods and Services	(6,222,484)
Cash Payments for Materials and Supplies	(5,719)
Cash Received for Other Operating Activities	160
Net Cash Used for Operating Activities	(618,733)
Cash Flows from Noncapital Financing Activities	
Federal and State Grants	766,607
Net Cash from Noncapital Financing Activities	766,607
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(4,039)
Net Cash Used for Capital and Related Financing Activities	(4,039)
Cash Flows from Investing Activities	
Interest Received	671
Net Cash Provided by Investing Activites	671
Net Increase in Cash and Cash Equivalents	144,506
Cash and Cash Equivalents, Beginning of Year	315,938
Cash and Cash Equivalents, End of Year	$ 460,444
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	(690,646)
Adjustments:	
Depreciation	25,617
Changes in Assets and Liabilities:	
Decrease in Prepayments	4,166
Increase in Accounts Payable	11,852
Increase in Accrued Wages and Benefits	13,535
Increase in Intergovernmental Payable	12,455
Increase in Compensated Absences Payable	4,288
Net Cash Used for Operating Activities	$ (618,733)

See accompanying notes to the financial statements.

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NOTE 1 - DESCRIPTION OF THE SCHOOL

The Oakstone Community School (the "School") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The School 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 the School's tax-exempt status. The School specializes in providing educational services to special needs children with Autism Spectrum Disorders. Specific activities in support of the School include general teaching, therapy and socialization activities. The School, which is part of the state's education program, is nonsectarian 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 began operations on October 4, 2004. The School contracted with the Education Service Center of Central Ohio (the "Sponsor") for a period of five years commencing July 1, 2009. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration.

The School operates under the direction of a self-appointed seven-member Board of Trustees. 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 qualification of teachers. The School was staffed by 3 non-certified staff members and 9 certificated personnel who provided services to 268 students (240 full time equivalents) during fiscal year 2011.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (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. The School also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued prior to November 30, 1989, provided those pronouncements do not conflict with or contradict GASB pronouncements. The School has elected not to apply FASB Statements and Interpretations issued after November 30, 1989. The School's significant accounting policies are described below.

A. Basis of Presentation

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

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

B. Measurement Focus

Enterprise activity is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School 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 the School finances meet its cash flow needs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Basis of Accounting

Basis of accounting determines when transactions are recognized 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. Revenue resulting from non-exchange transactions, in which the School 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 the School must provide local resourced 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, the School is not required to follow budgetary provisions set forth in Ohio Revised Code Section 5705, unless specifically provided in the contract between the School and its sponsor. The contract between the School and its Sponsor prescribes an annual budget requirement in addition to preparing a five-year forecast which is updated on an annual basis.

E. Cash

Cash received by the School is reflected as "Cash" on the Statement of Net Assets. The School did not have any investments during the period ended June 30, 2011.

F. Capital Assets and Depreciation

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The School maintains a capitalization threshold of $1,000. The School does not have any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. The School does not capitalize interest.

All capital assets are depreciated. The School's capital assets consist of furniture and equipment. Depreciation is computed using the straight-line method. Furniture and equipment are depreciated over five years.

G. Compensated Absences

Vacation and sick leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School will compensate the employees for the benefits through paid time off or some other means. Unused sick leave is banked for use during the following school year but is only paid out upon resignation or termination after ten years of employment with the School. The School records a liability for employees with accumulated unused vacation leave when earned.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

H. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amounts is recorded at the time of the payment by the School and the expense is recorded when used. The School has prepaid items of $4,129 at June 30, 2011.

I. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The School had restricted net assets related to amounts held by a lessor as part of the School's lease agreement totaling $32,000.

J. Operating Revenues and Expenses

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

K. Estimates

The preparation of financial statements in conformity with GAAP 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

Custodial credit risk is the risk that, in the event of bank failure, the School's deposits may not be returned. The School does not have a deposit policy for custodial credit risk. At June 30, 2011, the carrying amount of the School's deposits was $460,444 and the bank balance was $463,657. Federal Deposit Insurance Corporation (FDIC) covered $250,000 of the bank balance. The remaining amount was collateralized by the financial institution's public entity deposit pool. There are no significant statutory restrictions regarding the deposit and investment of funds by the School.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance at June 30, 2010	Additions	Disposals	Balance at June 30, 2011
Depreciable capital assets:				
Furniture	$ 4,500	$ -	$ -	$ 4,500
Equipment	207,704	4,039	(31,098)	180,645
Less: accumulated depreciation	(177,847)	(25,513)	28,828	(174,532)
Capital assets, net	$ 34,357	$ (21,474)	$ (2,270)	$ 10,613

NOTE 5 - BUILDING LEASE AND SECURITY DEPOSIT

The School operations are located in space leased from the Children's Center for Developmental Enrichment (CCDE). As part of the original lease agreement from fiscal year 2005, the School was required to pay a security deposit of $32,000. This amount is being held by the Lessor and will be remitted to the School at the end of the lease if all lease commitments are paid. The lease agreement for fiscal year 2011 required $208,000 in lease payments. The lease expired on June 30, 2011, but was renewed for fiscal year 2012.

NOTE 6 - RECEIVABLES

The School had $1,775 in accounts receivable as of June 30, 2011. The School had $23,189 in intergovernmental receivables outstanding at June 30, 2011.

NOTE 7 - PENSION 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, 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. SERS 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 Employers/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, 2011, the allocation to pension and death benefits is 11.81%. The remaining 2.19% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The School's required contributions to SERS for the years ended June 30, 2011, 2010, and 2009 were $21,690, $21,217, and $16,523, respectively; 91% has been contributed for fiscal year 2011; 100% has been contributed for fiscal years 2010 and 2009. The financial statements include $1,942 in intergovernmental payable to SERS.

NOTE 7 - PENSION PLANS – (Continued)

B. State Teachers Retirement System of Ohio

State Teachers Retirement System of Ohio (STRS Ohio) is 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, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

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 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-value 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 the 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.

NOTE 7 - PENSION PLANS – (Continued)

B. State Teachers Retirement System of Ohio (Continued)

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used 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 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.

Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the lapse 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.

Chapter 3307 of the Revised Code provides statutory authority for members 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 10% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2011, were 10% of covered payroll for members and 14% for employers. The School's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010 and 2009 were $61,784, $47,194, and $49,761, respectively; 80% has been contributed for fiscal year 2011; 100% has been contributed for fiscal years 2010 and 2009.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's 2011 *Comprehensive Annual Financial Report* will be available after December 21, 2011.

Additional information or copies of STRS Ohio's 2011 *Comprehensive Annual Financial Report* can be requested by writing STRS Ohio, 275 E. Broad St., Columbus, OH, 43215, by calling toll-free 1-888-277-7877, or by visiting the STRS Ohio website at www.strsoh.org.

NOTE 8 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Postemployment Benefits
In addition to a cost-sharing multiple-employer defined benefit pension plan the School Employees Retirement System of Ohio (SERS) administers two 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 premium for calendar year 2011 was $96.40 for most participants, but could be as high as $369.10 per month depending on their income. SERS' reimbursement to retirees was $45.50.

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 2011, the actuarially required allocation is .76%. The School's required contributions for the years ended June 30, 2011, 2010, and 2009 were $1,396, $1,262, and $1,363, respectively; 91% has been contributed for fiscal year 2011; 100% has been contributed for fiscal years 2010 and 2009. The financial statements include $1,942 in intergovernmental payable to SERS.

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, 2011, the health care allocation is 1.43%. 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. Statutes provide 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 2011, the minimum compensation level was established at $35,800. 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 contributions assigned to health care for the years ended June 30, 2011, 2010, and 2009 were $2,626, 1,285, and $7,562, respectively. The financial statements include $235 in intergovernmental payable to SERS.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for healthcare coverage for themselves and their dependents or for their surviving beneficiaries.

NOTE 8 - POSTEMPLOYMENT BENEFITS - (Continued)

A. School Employees Retirement System (Continued)

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 on SERS' website at www.ohsers.org under Employers/Audit Resources.

B. State Teachers Retirement System

1. Plan Description

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Pension Plan; a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

Ohio law authorizes STRS Ohio to offer a cost sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums.

Pursuant to Chapter 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

2. Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for the years ended June 30, 2011, 2010, and 2009. The 14% employer contribution rate is the maximum rate established under Ohio law.

The School's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were $4,753, $3,630, and $3,828, respectively; 80% has been contributed for 2011 and 100% has been contributed for 2010 and 2009.

NOTE 9 - 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 fiscal year 2011, the School contracted with Philadelphia Insurance Co. for insurance as follows:

Insurance Type	Coverage	Deductible
Property Insurance	$ 115,000	$ 2,500
Business Interruption	250,000	-
Computer Equipment, Data, Software	455,000	500
Crime - Employee Theft, Finance	250,000	2,500
General Liability/Personal Injury	1,000,000 Each Occurence	-
	2,000,000 Aggregate	-
Abuse	1,000,000 Each Occurrence	-
	2,000,000 Each Occurence	-
Ohio Stop Gap Liability	1,000,000	-
Blanket Employee Theft/Dishonesty	250,000	2,500
Auto - Hired and Non-Owned Auto	1,000,000	-
Directors and Officers	2,000,000 per occurrence/aggregate	-
Employment Practices	2,000,000 per occurrence/aggregate	-
Workplace Violence	1,000,000 per occurrence	-
	2,000,000 Aggregate	-
Accident Medical Expense Benefits	25,000 maximum	-

The amount of settlements did not exceed insurance coverage for any of the past three years. There has not been a significant reduction in coverage from the prior year.

B. Workers' Compensation

The School pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor determined by the state. The School owed $4,196 for this premium on January through June 2011 wages and accrued wages. The liability is reflected in the financial statements.

NOTE 10 - EMPLOYEE BENEFITS

The School provides healthcare, dental, and vision insurance for all eligible employees. The School pays 70% of the monthly premium for heathcare and dental and the employee is responsible for 30% The School pays for 100% of the vision premium. The School provides basic life and accidental death and dismemberment insurance to employees. Employees also have the option of paying for additional insurance benefits above the basic level. The School also provides short term disability benefits for eligible employees. Employees have the option of paying for long term disability benefits.

NOTE 11 - PURCHASED SERVICES

For fiscal year ended June 30, 2011, purchased services expenses were as follows:

Rent	$	208,000
Management Services		85,000
Summer Services		202,118
Placement Contract		5,763,597
Sponsor Services		34,958
Audit Services		8,293
Attorney and Related Fees		57,133
Professional Memberships and Training		1,060
Banking Services		1,414
Other (Advertising, Mail, etc.)		523
Insurance		13,870
Computer Consortium and EMIS Services		12,907
Total	$	6,388,873

NOTE 12 - CONTRACTS

A. Sponsor Contract

The School entered into a five-year contract commencing on July 1, 2009 and continuing through June 30, 2014 with the Education Service Center of Central Ohio (the "Sponsor") for sponsorship services. Under the contract, the following terms were agreed upon:

- The School shall operate in substantial compliance with its "Educational Plan", which contains the School's mission, educational philosophy, the ages and grades of students, the characteristics of the students the School is expected to attract, the School calendar, the academic goals and the method of measurement that will be used to determine progress toward those goals, graduation requirements, and the focus of the curriculum.
- The School shall operate in substantial compliance with a "Financial Plan", which establishes an estimated school budget for each year, maintain financial records, be audited as required by ORC, comply with financial procedures and internal controls of the School.
- The School shall secure the services of a Superintendent, who shall be the chief operating officer of the School and a liaison between the School and Sponsor.
- The School shall annually pay to the Sponsor, from funding provided to the School by the Ohio Department of Education (ODE) pursuant to Section 3314.08 of the Ohio Revised Code, $155 per student per year and such other amounts as mutually agreed, including fees for any services provided to the School by the Sponsor.

Payments for sponsorship services amounted to $34,958 during fiscal year 2011.

B. Management Contract

The School entered into an Administrative Management agreement with CCDE for Administrative Services for the period July 1, 2010 through June 30, 2011 in the amount of $85,000. CCDE provides services in the area of human resources, staff training and support, secretarial, technology, including e-mail, administrative, data entry, and curriculum and program development. CCDE also provides basic curriculum and classroom supplies as needed and when possible. Payments to CCDE for Administrative Services amounted to $85,000 during fiscal year 2011. The management contract was renewed for fiscal year 2012.

NOTE 12 – CONTRACTS - (Continued)

C. Service Contract

The School entered into a Placement Contract with CCDE to provide for educational services to certain students in order to assist the School in meeting the educational needs and to provide the necessary services of the students' Individual Educational Plan. The required amount due to CCDE under the Placement Contract was $5,763,597 during fiscal year 2011. The School offset these costs with $155,245 in charges for services revenue from CCDE in fiscal year 2011 and paid the remaining balance of $5,608,352 during the fiscal year.

NOTE 13 - 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2011.

B. Ohio Department of Education Enrollment Review

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The fiscal year 2011 review resulted in no change to the fiscal year 2011 state foundation funding.

NOTE 14 - DEBT

The School had no long term debt outstanding at June 30, 2011.

NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLES

The School has implemented Government Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The implementation of this statement did not result in any changes to the School's financial statements.

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OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR ***Pass Through Grantor*** Program Title	Federal CFDA Number	Receipts	Disbursements
U.S. DEPARTMENT OF EDUCATION ***Passed Through Ohio Department of Education:***			
Special Education Grants to States (IDEA Part B)	84.027	$ 124,131	$ 124,131
ARRA - Special Education Grants to States (IDEA Part B)	84.391	6,724	6,540
Total Special Education Grants to States (IDEA Part B) Cluster		130,855	130,671
Title II-A Improving Teacher Quality	84.367	-	20
ARRA- State Fiscal Stabilization Fund Education State Grants	84.394	549,175	549,175
Education Jobs	84.410	81,577	81,577
Total U.S. Department of Education		**761,607**	**761,443**
Total Federal Receipts and Expenditures		**$ 761,607**	**$761,443**

The accompanying notes are an integral part of this schedule.

OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY

NOTE TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Oakstone Community School's (the School's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

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

Oakstone Community School
Franklin County
5747 Cleveland Avenue
Columbus, OH 43231

To the Board:

We have audited the financial statements of Oakstone Community School, Franklin County, Ohio (the School) as of and for the year ended June 30, 2011, which collectively comprise the School's basic financial statements and have issued our report thereon dated February 22, 2012. 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 School's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the School's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and timely corrected.

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

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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, 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, the School's sponsor (the Educational Service Center of Central Ohio), federal awarding agencies and pass-through entities, and others within the School. We intend it for no one other than these specified parties.

Dave Yost

Dave Yost
Auditor of State

February 22, 2012

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

Oakstone Community School
Franklin County
5747 Cleveland Avenue
Columbus, OH 43231

To the Board:

Compliance

We have audited the compliance of Oakstone Community School, Franklin County, Ohio (the School) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the School's major federal program for the year ended June 30, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the School's major federal program. The School's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the School's compliance based on our audit.

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

In our opinion, Oakstone Community School, Franklin County, Ohio complied, in all material respects, with the requirements referred to above that that could directly and materially affect its major federal program for the year ended June 30, 2011.

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Internal Control Over Compliance

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

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

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

We intend this report solely for the information and use of the audit committee, management, the Board, the School's sponsor (the Educational Service Center of Central Ohio), others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Dave Yost

Dave Yost
Auditor of State

February 22, 2012

OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2011

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unqualified
(d)(1)(ii)	**Were there any material control weaknesses reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material internal control weaknesses reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under § .510(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	State Fiscal Stabilization Fund, CFDA #84.294
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	No

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

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

Oakstone Community School
Franklin County
5747 Cleveland Avenue
Columbus, OH 43231

To the Board:

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 Oakstone Community School, Franklin County, Ohio (the School) has updated its 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. We noted the School amended its anti-harassment policy at its meeting on June 22, 2011, to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

Dave Yost

Dave Yost
Auditor of State

February 22, 2012

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OAKSTONE COMMUNITY SCHOOL

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 13, 2012

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