PREMIER ACADEMY
FRANKLIN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2011

Dave Yost • Auditor of State

PREMIER ACADEMY OF OHIO
FRANKLIN COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

Premier Academy of Ohio
Franklin County
1555 Elaine Road
Columbus, Ohio 43227

To the Board of Directors:

We have audited the accompanying basic financial statements of Premier Academy of Ohio, Franklin County, Ohio (the Academy), as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Premier Academy of Ohio, Franklin County, Ohio as of June 30, 2011, and the respective 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.

The accompanying financial statements have been prepared assuming that the Academy will continue as a going concern. As discussed in Note 18 to the financial statements, the Academy has suffered recurring losses from operations and has a net asset deficit of ($161,782) and operating loss ($577,280) that raise substantial doubt about its ability to continue as a going concern. Note 18 describes management's plan regarding these issues. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2012, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts 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.

88 East Broad Street, Tenth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-3402 or 800-443-9275 Fax: 614-728-7199
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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 Academy's basic financial statements taken as a whole. The Federal Awards Receipts and Expenditures 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 Expenditures 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

March 21, 2012

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

The management's discussion and analysis of the Premier Academy of Ohio (the "Academy") financial performance provides an overall review of the Academy's financial activities for the year ended June 30, 2011. The intent of this discussion and analysis is to look at the Academy'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 Academy's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- In total, net assets were a deficit of $161,782 at June 30, 2011.

- The Academy had operating revenues of $1,417,145, operating expenses of $1,994,425 and non-operating revenues of $771,258 and non-operating expenses of $22,223 for fiscal year 2011. The operating loss was $577,280. The increase in net assets was $171,755.

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 Academy'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 Academy, including all short-term and long-term financial resources and obligations.

Reporting the Academy'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 ask 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 accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Academy's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the Academy as a whole, the *financial position* of the Academy 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 Academy 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 shows the changes in net assets for fiscal years 2011 and 2010.

Assets, Liabilities and Net Assets

	2011	2010
Assets		
Current assets	$ 65,768	$ 31,158
Capital assets, net	123,969	57,337
Total assets	189,737	88,495
Liabilities		
Current liabilities	276,145	422,032
Long term liabilities	75,374	-
Total liabilities	351,519	422,032
Net Assets		
Invested in capital assets, net of related debt	29,621	53,547
Restricted	42,317	20,722
Unrestricted (deficit)	(233,720)	(407,806)
Total net assets (deficit)	$ (161,782)	$ (333,537)

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2011, the Academy's net assets were a deficit of $161,782.

At June 30, 2011, capital assets represented 65.34% of total assets. Capital assets, net of related debt to acquire the assets at June 30, 2011, were $29,621. These capital assets are used to provide services to the students and are not available for future spending. Although the Academy's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

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

Change in Net Assets

	2011	2010
Operating Revenues:		
State foundation	$ 1,407,972	$ 1,655,352
Charges for services	615	813
Other	8,558	4,985
Total operating revenue	1,417,145	1,661,150
Operating Expenses:		
Salaries and wages	942,271	1,277,953
Fringe benefits	338,658	413,019
Purchased services	387,088	448,693
Materials and supplies	204,895	216,672
Depreciation	24,432	19,657
Other	97,081	89,268
Total operating expenses	1,994,425	2,465,262
Non-operating Revenues and Expenses:		
Federal and State grants	771,258	742,432
Interest expense	(7,383)	(3,974)
Loss on disposal of capital assets	(14,840)	-
Total non-operating revenues and expenses	749,035	738,458
Change in net assets	171,755	(65,654)
Net assets (deficit) at beginning of year	(333,537)	(267,883)
Net assets (deficit) at end of year	$ (161,782)	$ (333,537)

The revenue generated by a community school is almost entirely dependent on per-pupil allotment given by the State foundation and from federal entitlement programs. During fiscal year 2011, there was a decrease in student enrollment from fiscal year 2010 which led to a decrease in State foundation revenue. The Academy received Federal grant monies through the various grants which resulted in an increase in Federal and State grant revenue during fiscal year 2011.

Capital Assets

At June 30, 2011, the Academy had $123,969 invested in furniture and equipment. See Note 5 to the basic financial statements for more detail on capital assets.

Debt Administration

The Academy has entered into capital leases for copier equipment. At June 30, 2011, the Academy had $94,348 in capital leases outstanding. Of this total $18,974 is due within one year and $75,374 is due in greater than one year.

Current Financial Related Activities

The Academy is sponsored by the Educational Resource Consultants of Ohio. The Academy is reliant upon State Foundation monies and State and Federal Grants to offer quality, educational services to students.

The Academy relies primarily on State foundation revenues, which are based on student enrollment. There was a decrease of approximately 24 students from fiscal year 2010 to 2011. The Academy is attempting to increase its future State foundation revenues by marketing their Academy to 200 students.

In order to continually provide learning opportunities to the Academy's students, the Academy will apply resources and to best meet the needs of its students. It is the intent of the Academy to apply for other State and Federal funds that are made available to finance its operations.

Contacting the Academy's Financial Management

This financial report is designed to provide our clients and creditors with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have questions about this report or need additional financial information contact Teresa Woods, Treasurer, Premier Academy of Ohio, Business Office, 1555 Elaine Road, Columbus, Ohio 43227.

PREMIER ACADEMY OF OHIO
FRANKLIN COUNTY

STATEMENT OF NET ASSETS
JUNE 30, 2011

Assets:	
Current assets:	
Cash	$ 3,469
Intergovernmental receivable	62,299
Total current assets	65,768
Non-current assets:	
Capital assets, net	123,969
Total non-current assets	123,969
Total assets	189,737
Liabilities:	
Current liabilities:	
Accounts payable	27,451
Accrued wages and benefits	117,236
Pension obligation payable	31,684
Intergovernmental payable	22,072
Note payable	13,728
Line of credit payable	45,000
Capital leases payable	18,974
Total current liabilities	276,145
Non-current liabilities:	
Capital leases payable	75,374
Total non-current liabilities	75,374
Total liabilities	351,519
Net assets:	
Invested in capital assets, net of related debt	29,621
Restricted for:	
Locally funded programs	200
Federally funded programs	42,117
Unrestricted (deficit)	(233,720)
Total net assets (deficit)	$ (161,782)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PREMIER ACADEMY OF OHIO
FRANKLIN COUNTY

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

Operating revenues:	
State foundation	$ 1,407,972
Charges for services	615
Other	8,558
Total operating revenues	1,417,145
Operating expenses:	
Salaries and wages	942,271
Fringe benefits	338,658
Purchased services	387,088
Materials and supplies	204,895
Depreciation	24,432
Other	97,081
Total operating expenses	1,994,425
Operating loss	(577,280)
Non-operating revenues (expenses):	
Federal and State grants	771,258
Interest expense	(7,383)
Loss on disposal of capital assets	(14,840)
Total nonoperating revenues (expenses)	749,035
Change in net assets	171,755
Net assets (deficit) at beginning of year	(333,537)
Net assets (deficit) at end of year	$ (161,782)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PREMIER ACADEMY OF OHIO
FRANKLIN COUNTY

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

Cash flows from operating activities:	
Cash received from State foundation	$ 1,393,327
Cash received from customers	615
Cash received from other operations	8,558
Cash payments for salaries and benefits	(1,311,157)
Cash payments for suppliers for goods and services	(471,358)
Cash payments for materials and supplies	(189,458)
Cash payments for other expenses	(92,308)
Net cash used for operating activities	(661,781)
Cash flows from noncapital financing activities:	
Federal and State grants	687,358
Interest payments on line of credit	(1,597)
Net cash provided by noncapital financing activities	685,761
Cash flows from capital and related financing activities:	
Principal payment on capital lease	(15,346)
Interest and fiscal charges	(5,786)
Net cash used for capital and related financing activities	(21,132)
Net increase in cash and cash equivalents	2,848
Cash and cash equivalents at beginning of year	621
Cash and cash equivalents at end of year	$ 3,469
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	$ (577,280)
Adjustments:	
Depreciation	24,432
Changes in assets and liabilities:	
(Increase) in intergovernmental receivable	(13,983)
(Decrease) in accounts payable	(11,899)
(Decrease) in accrued wages and benefits	(10,552)
(Decrease) in promissory note payable	(59,663)
Increase in pension obligation payable	2,776
(Decrease) in intergovernmental payable	(15,612)
Net cash used for operating activities	$ (661,781)

Noncash transaction:

The Academy entered into a capital lease transaction for $105,904 during 2011.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 - DESCRIPTION OF THE ACADEMY

The Premier Academy of Ohio (the "Academy") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Academy 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 Academy's tax-exempt status. The Academy specializes in providing a custom-made curriculum for each student to ensure academic success. The Academy utilizes sophisticated technology and small classroom sizes to guarantee individual attention to expose students in grades 7 through 12 to real world experience. The Academy, which is part of the State's education program, is nonsectarian in its programs, admission policies, employment practices and all other operations. The Academy may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy.

During fiscal year 2011, the Academy was under a sponsorship contract with Educational Resource Consultants of Ohio, Inc. (the "Sponsor"). The Academy was approved under contract with the Sponsor for a period of one year commencing July 1, 2010 through June 30, 2011. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration.

The Academy is located in Columbus, Ohio, Franklin County. The Academy ranks as the 745th largest in terms of enrollment (among 918 public school districts and community schools) in the State of Ohio. The Academy operates under the direction of a self-appointed five-member Board of Directors. 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 who provide services to 210 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the Academy 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 Academy also applies Financial Accounting Standards Board (FASB) guidance issued prior to November 30, 1989, provided those pronouncements do not conflict with or contradict GASB pronouncements. The Academy has elected not to apply FASB guidance issued after November 30, 1989. The Academy's significant accounting policies are described below.

A. Basis of Presentation

The Academy'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 Academy 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 Academy 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 Academy finances 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 Academy's financial statements are prepared using the accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Revenue resulting from nonexchange transactions, in which the Academy receives value without directly giving equal value in return, such as grants and entitlements, is 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 Academy must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis. Expenses are recognized at the time they are incurred.

D. Budgetary Process

Unlike other public schools located in the State of Ohio, the Academy is not required to follow budgetary provisions set forth in Ohio Revised Code Section 5705, unless specifically provided in the contract between the Academy and its sponsor. The contract between the Academy and its Sponsor prescribes an annual budget requirement in addition to preparing a five-year forecast which is updated on an annual basis.

E. 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 Academy maintains a capitalization threshold of $1,000. The Academy 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 Academy does not capitalize interest.

All capital assets are depreciated. The Academy's capital assets consist of furniture and equipment. Depreciation is computed using the straight-line method. Equipment is depreciated over a period of five to fifteen years.

F. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use, either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

G. Operating Revenues and Expenses

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

H. 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.

I. Economic Dependency

The Academy received nearly 100% of its operating revenue from the Ohio Department of Education. Due to the significance of this revenue source, the Academy is considered to be economically dependent on the State of Ohio Department of Education.

J. Prepaid Items

Prepayments represent cash disbursements, which have occurred and are therefore not current expendable resources. These items are reported as assets on the statement of net assets, using the allocation method, which amortized their cost over the periods benefiting from the advance payment.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2011.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2011, the Academy has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types. GASB Statement No. 54 did not have an effect on the financial statements of the Academy.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the Academy.

NOTE 4 - DEPOSITS

Custodial credit risk is the risk that, in the event of bank failure, the Academy's deposits may not be returned. The Academy does not have a deposit policy for custodial credit risk. At June 30, 2011, the carrying amount of the Academy's deposits was $3,469 and the bank balance was $4,958. The entire bank balance was covered by the Federal Deposit Insurance Corporation (FDIC). There are no significant statutory restrictions regarding the deposit and investment of funds by the non-profit corporation.

NOTE 5 - CAPITAL ASSETS

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

	Balance June 30, 2010	Additions	Disposals	Balance June 30, 2011
Depreciable capital assets:				
Furniture and equipment	$ 111,595	$ 105,904	$ (46,725)	$ 170,774
Less: accumulated depreciation	(54,258)	(24,432)	31,885	(46,805)
Capital assets, net	$ 57,337	$ 81,472	$ (14,840)	$ 123,969

NOTE 6 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In fiscal year 2011 and prior years, the Academy has entered into capital lease agreements for copier equipment. These leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the least term.

Copier equipment has been capitalized in the amount of $105,904. This amount represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2011 was $14,121 leaving a current book value of $91,783.

Principal and interest payments in the 2011 fiscal year totaled $15,346 and $5,786, respectively.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2011:

Year Ending June 30	Copiers
2012	$ 25,836
2013	25,836
2014	25,836
2015	25,836
2016	8,612
Total minimum lease payment	111,956
Less: amount representing interest	(17,608)
Present value of minimum lease payments	$ 94,348

NOTE 6 - CAPITALIZED LEASES - LESSEE DISCLOSURE (Continued)

Of the remaining capital lease obligation, $18,974 in capital lease principal payments is due in one year.

NOTE 7 - LINE OF CREDIT

During fiscal years 2009 and 2010, the Academy borrowed $50,000 and $4,000 respectively, through a line of credit from Huntington Bank. Receivables and inventory are pledged to pay any outstanding balances. The following activity occurred on the line of credit during the fiscal year 2011:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Line of credit	$ 45,000	$ -	$ -	$ 45,000

During fiscal year 2011, the Academy incurred $1,597 in interest charges related to the line of credit. No principal payment was made in 2011.

NOTE 8 - NOTE PAYABLE

During fiscal year 2009, the Academy entered into a promissory note payable to Eastman & Smith, Ltd. to pay for legal services incurred prior to June 30, 2009. Payments on the note payable began in fiscal year 2010 and are expected to be paid in full by the end of fiscal year 2012. The note is interest free. The following note payable activity occurred during the fiscal year:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Note payable	$ 73,391	$ -	$ (59,663)	$ 13,728

NOTE 9 - OPERATING LEASE

The Academy school facilities are located in a space leased at 1555 Elaine Road, Columbus, Ohio. The lease agreement is with St. Phillip Church for the period of August 1, 2010 through June 30, 2011. The base rental of the lease is $9,020 per month. Payments totaling $99,220 were made during fiscal year 2011.

The following minimum lease payments will be made for the fiscal year ending June 30:

2012	$ 9,020
	$ 9,020

NOTE 10 - RECEIVABLES

At June 30, 2011, receivables consisted of intergovernmental receivables of $62,299 in State and federal grants. The receivables are expected to be collected in full within one year.

NOTE 11 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The Academy contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by 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 may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *"Media/Financial Reports"*.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute at an actuarially determined rate. The current Academy rate is 14 percent of annual covered payroll. A portion of the Academy's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2011, 11.77 percent and 0.04 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Academy's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2011, 2010 and 2009 were $42,446, $56,880 and $24,122, respectively; 91.72 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

B. State Teachers Retirement System of Ohio

Plan Description - The Academy participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org, under *"Publications".*

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. 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. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

NOTE 11 - PENSION PLANS - (Continued)

B. State Teachers Retirement System of Ohio (Continued)

Benefits are established by Chapter 3307 of the Ohio Revised Code.

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 these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year 2011, plan members were required to contribute 10 percent of their annual covered salaries. The Academy was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Academy's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010 and 2009 were $75,403, $109,182 and $94,790, respectively; 91.29 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were $9,520 made by the Academy and $6,800 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2011, certain members of the Board of Trustees have elected Social Security. The Academy's liability is 6.2 percent of wages paid.

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The Academy participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, 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 Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. 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 and SERS' reimbursement to retirees was $45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute.

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

A. School Employees Retirement System (Continued)

The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *"Media/Financial Reports"*.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2011, 1.43 percent of covered payroll was allocated to health care. 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 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the actuarially determined amount was $35,800.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The Academy's contributions for health care (including surcharge) for the fiscal years ended June 30, 2011, 2010 and 2009 were $14,577, $7,823 and $16,815, respectively; 91.72 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2011, this actuarially required allocation was 0.76 percent of covered payroll. The Academy's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were $2,732, $3,383 and $1,990, respectively; 91.72 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

B. State Teachers Retirement System of Ohio

Plan Description - The Academy contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org, under *"Publications"* or by calling (888) 227-7877.

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

B. State Teachers Retirement System of Ohio (Continued)

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Academy's contributions for health care for the fiscal years ended June 30, 2011, 2010 and 2009 were $5,800, $8,399 and $7,292, respectively; 91.29 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

NOTE 13 - RISK MANAGEMENT

A. Property and Liability

The Academy is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year ended June 30, 2011, the Academy contracted with Indiana Insurance for the following coverage:

General Liability	
Per Occurrence	$1,000,000
Aggregate	2,000,000
Errors and Omissions	1,000,000
Property (all locations)	260,000
Computer Coverage:	
Equipment	105,000
Software	50,000
Extra Expense	25,000

There have been no significant decreases in coverage from the previous year. Settled claims did not exceed this commercial coverage in fiscal year 2011.

B. Workers' Compensation

The Academy 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. At June 30, 2011, the Academy owed $3,863 for this premium on January through June 2011 wages, $7,066 for this premium on July through December 2010 wages and $729 on accrued wages. The liability is reflected in the financial statements at June 30, 2011.

NOTE 14 - EMPLOYEE BENEFITS

The Academy provides health, drug, vision and dental insurance for all eligible employees through United HealthCare. The Academy pays 80% of the monthly premium and employees pay the remaining 20% for health and vision coverage. The Academy pays 50% of the monthly premium and employees pay the remaining 50% for dental coverage. The Academy provides life insurance and accidental death and dismemberment insurance to employees through MetLife.

NOTE 15 - PURCHASED SERVICES

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

Professional and technical services	$ 293,248
Property services	23,999
Travel/mileage/meeting expense	5,246
Communications	64,595
Total	$ 387,088

NOTE 16 - SPONSOR CONTRACT

The Academy entered into a one-year contract commencing on July 1, 2011 and continuing through June 30, 2012 with the Sponsor. Under the contract, the following terms were agreed upon:

- The Academy shall comply with the policies and provisions described in the "Educational Program", which contains the Academy's mission, educational philosophy, the ages and grades of students, the characteristics of the students the Academy is expected to attract, and the focus of the curriculum.

- The Academy shall comply with a "Financial Plan", which details an estimated school budget for each year of the period of the contract, and shall specify the total estimated per pupil expenditure amount for each such year.

- The Academy shall comply with the procedures by which the members of the Academy will be selected in the future as set forth in the "Governance and Administrative Plan".

- The Academy shall agree to assess student achievement of academic goals using the methods of measurement identified in the "Assessment and Accountability Plan".

- The Sponsor shall evaluate the performance of the Academy and agrees to comply with the standards by which the success of the Academy will be evaluated.

The Academy paid $41,740 in sponsorship fees to the Sponsor during fiscal year 2011.

NOTE 17 - CONTINGENCIES

A. Grants

The Academy 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 Academy at June 30, 2011.

NOTE 17 – CONTINGENCIES (Continued)

B. Ohio Department of Education Enrollment Review

The Ohio Department of Education conducts reviews on 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. As a result of the review after fiscal year end, the Ohio Department of Education overpaid the Academy $13,983. This amount is reflected as intergovernmental payable on the basic financial statements.

NOTE 18 - MANAGEMENT'S PLAN

For fiscal year 2011, the Academy had an operating loss of $577,280, an increase in net assets of $ 171,755, and a cumulative net asset deficit of ($161,782). In an effort to improve the financial stability of the Academy, the following action steps are continually followed by management, under direction of the Board:

- Increased enrollment in fiscal year 2011
- Reduction of purchased services

The Academy's Business Manager and Treasurer monitor financial activities on a daily basis. Financial reports are submitted to the Board for approval on a monthly basis to determine the effectiveness of the steps listed above. The Academy has passed a balanced budget for fiscal year 2012 and has a cash balance of $7,935 as of February 29, 2012.

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PREMIER ACADEMY OF OHIO
FRANKLIN COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** Program Title	Federal CFDA Number	Reciepts	Disbursements
U.S. DEPARTMENT OF AGRICULTURE ***Passed Through Ohio Department of Education***			
Nutrition Cluster			
Cash Assistance:			
School Breakfast Program	10.553	$ 34,996	$ 29,792
National School Lunch Program	10.555	67,872	57,778
Total Nutrition Cluster		102,868	87,570
Total U.S. Department of Agriculture		**102,868**	**87,570**
U.S. DEPARTMENT OF EDUCATION ***Passed Through Ohio Department of Education***			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	212,064	194,352
ARRA - Title I Grants to Local Education Agencies	84.389	62,689	55,318
Total Title I Cluster		274,753	249,670
Special Education Cluster:			
Special Education - Grants to States	84.027	64,041	67,389
ARRA - Special Education - Grants to States	84.391	18,026	11,288
Total Special Education Cluster		82,067	78,677
Safe and Drug Free Schools and Communities State Grants	84.186	1,460	2,092
Education Technology State Grants	84.318	635	767
Improving Teacher Quality State Grants	84.367	16,994	15,138
Title I School Improvement Stimulus G Grants	84.377	661	661
ARRA - State Fiscal Stabilization Fund	84.394	118,640	118,502
ARRA - Race to the Top Incentive Grants	84.395	6,891	7,894
Education Jobs Fund	84.410	74,624	73,351
Total U.S. Department of Education		**576,725**	**546,752**
Total		**$ 679,593**	**$ 634,322**

The accompanying notes are an integral part of this schedule.

NOTES 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 Premier Academy of Ohio's (the Academy's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The Academy commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the Academy assumes it expends federal monies first.

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

Premier Academy of Ohio
Franklin County
1555 Elaine Road
Columbus, Ohio 43227

To the Board of Directors:

We have audited the basic financial statements of Premier Academy of Ohio, Franklin County, Ohio, (the Academy) as of and for the year ended June 30, 2011 and have issued our report thereon dated March 21, 2012, wherein we noted matters which indicate the Academy has suffered recurring losses from operations and has a net asset deficit and operating loss that raise substantial doubt about its ability to continue as a going concern. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Academy's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Academy's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Academy's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the Academy's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed 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 audit committee, management, the Board of Directors, the Community School's sponsor, and federal awarding agencies and pass-through entities, and others within the Academy. We intend it for no one other than these specified parties.

Dave Yost

Dave Yost
Auditor of State

March 21, 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

Premier Academy of Ohio
Franklin County
1555 Elaine Road
Columbus, Ohio 43227

To the Board of Directors:

Compliance

We have audited the compliance of Premier Academy of Ohio (the Academy) 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 each of the Academy's major federal programs for the year ended June 30, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the Academy's major federal programs. The Academy'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 opine on the Academy'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 Academy'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 Academy's compliance with these requirements.

In our opinion, the Academy complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The Academy'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 Academy'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 Academy'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 material weaknesses, as defined above.

We did note certain matters not requiring inclusion in this report that we reported to the Academy's management in a separate letter dated March 21, 2012.

We intend this report solely for the information and use of the audit committee, management, the Board of Directors, the Community School's sponsor, 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

March 21, 2012

PREMIER ACADEMY OF OHIO
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):**	CFDA # 84.010, ARRA # 84.389: Title I Grants to Local Education Agencies CFDA # 84.394 State Fiscal Stabilization Fund
(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

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

PREMIER ACADEMY OF OHIO
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2010-001	Questioned Cost/Allowable Costs – All Federal Grants (certification of time)	Yes	
2010-002	Financial Reporting of Federal Award Receipts and Expenditures	Partially	Repeated in Management Letter

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Premier Academy of Ohio
Franklin County
1555 Elaine Road
Columbus, Ohio 43227-2347

To the Board of Directors:

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

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Premier Academy of Ohio (the Academy) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. In our report dated April, 2011, we noted the Board adopted an anti-harassment policy on June 7, 2008. However, this policy did not include all matters required by Ohio Rev. Code 3313.666.

2. We inquired with the Board's management regarding the aforementioned policy. They stated they have not amended the June 7, 2008 policy. Therefore, the policy still lacks the following required by Ohio Rev. Code Section 3313.666.

   (1) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666, as amended by House Bill 19 of the 128th General Assembly.

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.

88 East Broad Street, Tenth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-3402 or 800-443-9275 Fax: 614-728-7199
www.ohioauditor.gov

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

Dave Yost
Auditor of State

March 21, 2012

Dave Yost • Auditor of State

PREMIER ACADEMY OF OHIO

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 29, 2012

88 East Broad Street, Fifth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.auditor.state.oh.us