



INDEPENDENT AUDITOR'S REPORT

PHOENIX COMMUNITY LEARNING CENTER

HAMILTON COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2014



Dave Yost • Auditor of State

Board of Directors
Phoenix Community Learning Center
3595 Washington Avenue
Cincinnati, Ohio 45229

We have reviewed the *Independent Auditor's Report* of the Phoenix Community Learning Center, Hamilton County, prepared by Richardson & Associates, LLC, for the audit period July 1, 2013 through June 30, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Phoenix Community Learning Center is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

June 30, 2015

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PHOENIX COMMUNITY LEARNING CENTER

HAMILTON COUNTY

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INDEPENDENT AUDITOR'S REPORT

Phoenix Community Learning Center
Hamilton County
3595 Washington Avenue
Cincinnati, Ohio 45229

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Phoenix Community Learning Center, Hamilton County, Ohio (the School), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Phoenix Community Learning Center
Hamilton County
Independent Auditor's Report
For the Year Ended June 30, 2014

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Phoenix Community Learning Center, Hamilton County, Ohio, as of June 30, 2014, and the changes in financial position and its cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the School's basic financial statements taken as a whole.

The Federal Award Receipts and Expenditures Schedule presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling schedules 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 schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Phoenix Community Learning Center
Hamilton County
Independent Auditor's Report
For the Year Ended June 30, 2014

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2015, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Richardson & Associates, LLC

Richardson and Associates, LLC
Cincinnati, Ohio
March 23, 2015

Phoenix Community Learning Center
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Unaudited)

The discussion and analysis of Phoenix Community Learning Center's (the PCLC) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the PCLC's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the PCLC's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented, and is presented in the MD&A.

Financial Highlights

Key financial highlights for fiscal year 2014 are as follows:

- The assets of the PCLC exceeded its liabilities at year-end by \$667,840. \$415,666 of the balance is unrestricted allowing the PCLC to spend it without certain restrictions.
- In total, net position increased by \$332,850.
- Total liabilities decreased by \$120,764 as the PCLC continued to pay down the SELF loan that was used to acquire and renovate the new facility and balances on the leases.

Using This Financial Report

This financial report contains the basic financial statements of the PCLC, as well as the Management's Discussion and Analysis and notes to the basic financial statements. The basic financial statements include a statement of net position, statement of revenues, expenses, and changes in net position, and a statement of cash flows. As the PCLC reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentations information is the same.

Statement of Net Position

The statement of net position answers the question, "How did we do financially during the fiscal year?" This statement includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic resources focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

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

Phoenix Community Learning Center
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Unaudited)

The following table presents a condensed summary of the PCLC's overall financial position at June 30, 2014 and June 30, 2013.

	<u>2014</u>	<u>2013</u>
Current and other assets	\$697,037	\$332,925
Capital assets	3,593,646	3,745,672
Total assets	<u>4,290,683</u>	<u>4,078,597</u>
Current liabilities	387,619	401,586
Long term liabilities	3,235,224	3,342,021
Total liabilities	<u>3,622,843</u>	<u>3,743,607</u>
Net position:		
Net investment in capital assets	251,625	369,069
Restricted	549	0
Unrestricted	415,666	(34,079)
Total net position	<u>\$667,840</u>	<u>\$334,990</u>

Total net position of the PCLC increased by \$332,850 compared to an increase of \$161,145 in the prior year. The increase for assets resulted from the PCLC increasing the cash balance by \$318,790 for the year. Also contributing to the increase in net position was the reduction in liabilities as the PCLC paid down the long-term liabilities by \$106,797. The ultimate goal is for the PCLC to report positive balances across all three net position categories that finally happened in 2014.

Phoenix Community Learning Center
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Unaudited)

Statement of Revenues, Expenses, and Changes in Net Position

The following table represents a condensed summary of the PCLC's activities for the years ended June 30, 2014 and 2013.

	2014	2013
Revenues:		
Operating revenues:		
State Foundation	\$2,719,669	\$2,277,987
Poverty Based Assistance	0	102,545
Tuition and Fees	4,583	0
Charges for services	1,051	3,758
Other operating revenues	2,945	22,326
Non-operating revenues:		
Federal grants	734,621	711,076
State grants	5,857	15,265
Total revenues	3,468,726	3,132,957
Expenses:		
Operating expenses:		
Salaries and wages	1,429,037	1,328,612
Fringe benefits	376,786	385,159
Purchased services:		
Professional and technical services	331,054	334,516
Property services	128,602	86,436
Communications	42,242	32,845
Utilities	65,409	57,606
Food Service	286,288	265,105
Other	0	21,742
Materials and supplies	88,974	79,956
Depreciation	152,026	142,659
Other expenses	5,806	986
Non-operating expenses:		
Loss on disposal of assets	0	4,826
Interest and fiscal charges	229,652	231,364
Total expenses	3,135,876	2,971,812
Change in net position	332,850	161,145
Ending Net position	\$667,840	\$334,990

Revenues increased over 11% as the PCLC received additional foundation revenue as the FTE counts rose and a slight increase in grant funding with some of the students qualifying for other programs. The PCLC's expenses did increase by increasing the personnel in relation to the increased student counts and additional costs related to the facility.

Phoenix Community Learning Center
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Unaudited)

Capital Assets

At June 30, 2014, the PCLC had \$3,593,646 invested in a broad range of capital assets, including land, construction in progress, buildings, furniture, and equipment.

Capital Assets at Year-End (Net of Depreciation)

	2014	2013
Land	\$287,700	\$287,700
Buildings	3,247,787	3,340,590
Equipment and furniture	58,159	117,382
Total	<u>\$3,593,646</u>	<u>\$3,745,672</u>

The PCLC did not have any additions for the current year but the current year depreciation was \$152,026 resulting in a lower ending balances. See Note 5 of the notes to the basic financial statements for more detailed information on the PCLC's capital assets.

Debt Administration

The PCLC entering into a loan agreement with Self Help Ventures Fund for \$3,627,252 of long term loans payable during 2009. The loan will be paid back through operating revenues and matures in fiscal year 2016. The loan carries an annual interest rate of 6.51%. The PCLC retired \$75,509 on the obligation during the fiscal year. The PCLC is reporting capital lease payable of \$40,927 for the current year as well. See notes 13 and 14 to the basic financial statements for more detailed information on the PCLC's short and long-term debt.

For the Future

The PCLC continues to position itself for providing a healthy environment for the students it serves. Over the past several years since moving into the new facility, the PCLC has seen the full time equivalent student increase each year. With the new November counts, fiscal year 2015 has continued at 389 funded students which should allow the PCLC to continue to operate with a positive margin.

Contacting the PCLC

This financial report is designed to provide a general overview of the finances of the Phoenix Community Learning Center and to show the PCLC's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to:

Phoenix Community Learning Center
3595 Washington Avenue Cincinnati,
OH 45229
(513) 351-5801

**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO
STATEMENT OF NET POSITION**

JUNE 30, 2014

Assets	
Current assets:	
Cash	\$ 531,341
Accounts receivable	1,725
Intergovernmental receivable	163,971
Total current assets	<u>697,037</u>
Noncurrent assets:	
Non depreciable capital assets	287,700
Depreciable capital assets, net	3,305,946
Total noncurrent assets	<u>3,593,646</u>
Total Assets	<u>4,290,683</u>
Liabilities:	
Current liabilities	
Accounts payable	47,959
Accrued wages and benefits	199,557
Intergovernmental payable	33,306
Amount due within one year:	
Capital lease payable	26,153
Loan payable	80,644
Total current liabilities	<u>387,619</u>
Long term liabilities	
Capital lease payable	14,774
Loan payable	3,220,450
Total long term liabilities	<u>3,235,224</u>
Total Liabilities	<u>3,622,843</u>
Net Position:	
Net investment in capital assets	251,625
Restricted	549
Unrestricted	415,666
Total Net Position	<u>\$ 667,840</u>

See accompanying notes to the financial statements

**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO
Statement of Revenues, Expenses and Changes in Net Position**

Year Ended June 30, 2014

Operating Revenues:	
State foundation	\$ 2,719,669
Tuition and Fees	4,583
Charges for services	1,051
Other operating revenues	2,945
	2,728,248
Total Operating Revenues	
Operating Expenses:	
Salaries and wages	1,429,037
Fringe Benefits	376,786
Purchased Services:	
Professional and technical services	331,054
Property services	128,602
Communications	42,242
Utilities	65,409
Food services	286,288
Materials and supplies	88,974
Depreciation	152,026
Other expenses	5,806
	2,906,224
Total operating expenses	
Operating Loss	(177,976)
Nonoperating revenues (expenses):	
Interest and fiscal charges	(229,652)
Federal grants	734,621
State grants	5,857
	510,826
Total nonoperating revenues (expenses)	
Change in net position	332,850
Net position, beginning of year	334,990
Net position, end of year	\$ 667,840

See accompanying notes to the basic financial statements

**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO
Statement of Cash Flows**

Year Ended June 30, 2014

Cash Flows from Operating Activities	
Cash received from State of Ohio – Foundation	\$ 2,739,145
Cash received from customers	1,191
Cash received from other operating revenues	5,803
Cash payments for personal services	(1,861,617)
Cash payments for contract services	(874,214)
Cash payments for supplies and materials	(80,597)
Cash payments for other expenses	(5,806)
Net Cash Used for Operating Activities	<u>(76,095)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from grants (Federal & State)	<u>722,248</u>
Net Cash from Noncapital Financing Activities	<u>722,248</u>
Cash Flows from Capital and Related Financing Activities:	
Principal paid on capital lease payable	(22,202)
Interest paid on capital lease payable	(8,782)
Principal paid on loan payable	(75,509)
Interest paid on loan payable	(220,870)
Net Cash Used for Capital and Related Financing Activities	<u>(327,363)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	318,790
Cash and Cash Equivalents at Beginning of Year	<u>212,551</u>
Cash and Cash Equivalents at End of Year	<u>531,341</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:	
Operating Income (Loss)	(177,976)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities:	
Depreciation	152,026
Changes in Assets and Liabilities:	
Accounts Receivable	(1,585)
Intergovernmental Receivable	(25,507)
Accounts Payable	(4,239)
Accrued Wages and Benefits	(5,115)
Intergovernmental Payable	(13,699)
Net Cash Used for Operating Activities	<u>(76,095)</u>

See accompanying notes to the basic financial statements

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Phoenix Community Learning Center
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

The Phoenix Community Learning Center, Hamilton County, Ohio (PCLC) is a state nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to maintain and provide a school exclusively for any educational, literary, scientific, and related teaching service. The PCLC has been determined by the Internal Revenue Service to be a tax-exempt organization under Internal Revenue Code Section 501(c)(3). The PCLC, which is part of the State's education program, is independent of any school district. The PCLC may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the PCLC.

The PCLC was approved for operation under a Community School Contract (Contract) with the Ohio State Board of Education (Sponsor) for a period of five years commencing July 1, 2001. Effective July 1, 2005, the Fordham Foundation took over sponsorship of the PCLC under a five year agreement. The agreement was originally amended for a one year period until June 30, 2011. Currently, the Fordham Foundation and the PLCL are operating under a two year amendment (fourth) to the original agreement that will expire on June 30, 2015. The PCLC began operations on July 1, 2001. The Sponsor is responsible for evaluating the PCLC's performance and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The PCLC operates under a self-appointing, multi-member Board of Directors (the Board) consisting of five (5) members. Exhibit III of the PCLC's Community School Contract, specifies that vacancies arising on the Board may be filled by the appointment of successors by a majority of the then existing directors. The Board is responsible for carrying out the provisions of the Contract with the Sponsor which includes, but is not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The PCLC has one instructional/support facility staffed by 41 personnel, which provides services to approximately 389 students. Mr. Luther Brown and Dr. Glenda Brown are the founders of the PCLC. Mr. Luther Brown, Board Chairman, is the husband of Dr. Glenda Brown, Superintendent.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The PCLC's financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the PCLC's accounting policies are described below.

A. BASIS OF PRESENTATION

The PCLC uses enterprise accounting to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Phoenix Community Learning Center
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statement of net position. The difference between total assets and liabilities is defined as net position. The statement of revenues, expenses, and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. BUDGETARY PROCESS

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Rev. Code, Chapter 5705, unless specifically provided in a school's contract with its sponsor. The Contract between the PCLC and the Sponsor prescribes a budgetary process for the PCLC requiring the Superintendent, Business Manager/Treasurer, and the Board to review the financial statements on a monthly basis. In addition, the PCLC is required to prepare an updated forecast on a monthly or quarterly basis.

D. CASH

All monies received by the PCLC are maintained in a demand deposit account. For internal accounting purposes, the cash is segregated into various funds.

E. CAPITAL ASSETS AND DEPRECIATION

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market value as of the date received. The PCLC maintains a capitalization threshold of \$500. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are expensed.

Depreciation of furniture and equipment is computed using the straight-line method over an estimated useful life of five years. Improvements to fixed assets are depreciated over the remaining useful lives of the capital assets. Buildings are depreciated using the straight-line method over an estimated useful life of forty years. Land and construction in progress are not depreciated. Improvements to the building are depreciated over the remaining life of the building. The PCLC does not possess any infrastructure.

Phoenix Community Learning Center
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. INTERGOVERNMENTAL REVENUES

The PCLC currently participates in the State Foundation Program. Revenue received from this program is recognized as operating revenues in which it is earned, essentially the same as the fiscal year.

Federal and state grants are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the PCLC must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the PCLC on a reimbursement basis.

The PCLC participates in other various federal programs through the Ohio Department of Education. These include the National School Lunch Program, Breakfast, Race to the Top, Title I, Title II-A&D, and IDEA Part B.

G. ESTIMATES

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

H. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School applies restricted resources when an expense is incurred for purposes of which both restricted and unrestricted net position are available.

LONG TERM OBLIGATIONS

All payables and long-term obligations are reported on the statement of net position for PCLC.

3. DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the PCLC's deposits may not be returned to it. The PCLC's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pooled collateral. At June 30, 2014, the PCLC had a carrying value of \$531,341. The bank balance was \$553,994 with \$250,000 of the balance being covered through the Federal Depository Insurance Corporation (FDIC) and \$303,994 classified as uninsured for FDIC purposes but covered with pooled collateral through the bank.

Phoenix Community Learning Center
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

4. INTERGOVERNMENTAL RECEIVABLES

Intergovernmental Receivables at June 30, 2014, consisted of intergovernmental grants. All intergovernmental receivables are considered collectible in full given the stable condition of State programs and the current fiscal year guarantee of federal funds. The principle items of intergovernmental receivables as of June 30, 2014 are as follows:

Intergovernmental Receivable	Amount
Casino Shared Revenues	\$9,630
SERS 2014 refund	25,507
Federal Food Subsidy	32,550
Race to the Top Grant	26,002
Title I Grant	70,282
Total	\$163,971

5. CAPITAL ASSETS

A summary of the capital assets as of June 30, 2014 is as follows:

	Balance 7/1/13	Additions	Disposals	Balance 6/30/14
<hr/>				
Non-depreciable assets:				
Land	\$287,700	\$0	\$0	\$287,700
<hr/>				
Depreciable assets:				
Buildings	3,711,802	0	0	3,711,802
Equipment and furniture	538,685	0	0	538,685
Total depreciable assets	4,250,487	0	0	4,250,487
<hr/>				
Less accumulated depreciation:				
Buildings	(371,212)	(92,803)	0	(464,015)
Equipment and furniture	(421,303)	(59,223)	0	(480,526)
Total accumulated depreciation	(792,515)	(152,026)	0	(944,541)
Capital assets, net	\$3,745,672	(\$152,026)	\$0	\$3,593,646

Phoenix Community Learning Center
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

6. RISK MANAGEMENT

A. Property Liability

The PCLC is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2014, the PCLC contracted with Western World Insurance Company for personal business property and general liability insurance. The policy's general aggregate each occurrence limit is \$2,000,000 with \$210,000 for personal business and a \$0 deductible. The PCLC has non-profit directors and officer's liability insurance (D&O) and employment practices liability (EP) through United States Liability Insurance Company with a \$1,000,000 (both) and \$2,500 deductible for D&O and \$5,000 deductible for EP. There has been no reduction in coverage from the prior year and settled claims have not exceeded PCLC's coverage in any of the past three years.

Workers' Compensation

The PCLC pays the State Workers' Compensation System a premium for each employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor calculated by the State.

7. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

Plan Description – PCLC contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plans. SERS provides retirement and disability 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 contacting School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, or by calling toll free 1-800-878-5853. It is also posted at the SERS' website at www.ohsers.org under Employer/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and PCLC is required to contribute 14 percent of annual covered payroll. 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 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 and Health Care Fund.) of the System. For the fiscal year ending June 30, 2014, the allocation to pension and death benefits is 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The PCLC's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2014, and 2013 were approximately \$45,625, and \$28,160, respectively; 83% has been contributed for 2014 and 100% has been contributed for 2013 fiscal years.

Phoenix Community Learning Center
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

7. DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System

Plan Description – PCLC contributes to the State Teachers Retirement System of Ohio (STRS Ohio), which is a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report, which may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

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 member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% 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 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. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one-time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. 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 dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2014, plan members were required to contribute 10 percent of their annual covered salaries. PCLC was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2013, the portion used to fund pension obligations was also 13 percent. 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 PCLC's required contributions for pension obligations for the fiscal years ended June 30, 2014, and 2013 were approximately \$137,015, and \$153,139, respectively; 87% has been contributed for 2014 and 100% has been contributed for 2013 fiscal years. Contributions to the DC and Combined Plans for fiscal year 2014 were \$14,806 made by the PCLC and \$11,634 made by the plan members.

Phoenix Community Learning Center
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

8. POSTEMPLOYMENT BENEFITS

A. STATE TEACHERS RETIREMENT SYSTEM (STRS)

Plan Description – PCLC contributes to the cost sharing multiple employer defined benefit Health 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 or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2014, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The PCLC's contributions for health care for the fiscal years ended June 30, 2014, and 2013 were \$10,540, and \$11,780, respectively; 87 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013.

B. SCHOOL EMPLOYEE RETIREMENT SYSTEMS (SERS)

In addition to a cost-sharing multiple-employer defined pension plan the School Employees Retirement System of Ohio (SERS) administers two post-employment benefit plans.

Medicare Part B

Medicare B plan reimburses Medicare B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefits 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 premium or the current premium. The Medicare Part B premium for calendar year 2014 was \$99.90 for most participants, but could go as high as \$319.70 per month depending on their income. SERS' reimbursement for 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 2014, the actuarial required allocation is 0.76 percent PCLC's contributions for the years ended June 30, 2014, and 2013 were \$488, \$344, respectively, 82 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013.

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 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.

Phoenix Community Learning Center
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

8. POSTEMPLOYMENT BENEFITS (Continued)

B. SCHOOL EMPLOYEE RETIREMENT SYSTEMS (SERS) (Continued)

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions.

The Health Care Fund was established under, and is administered in accordance with the Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. For the year ended June 30, 2014, the health care allocation is 0.14. An additional health care surcharge on employers is collected for employees earning less than the actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provides that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge.

For the fiscal year June 30, 2014, the minimum compensation level was established at \$20,250. The surcharge added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. PCLC's contributions assigned to health care for the year ended June 30, 2014, was \$2,657, and \$1,591 respectively, 87 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its Comprehensive Annual Financial Report. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on the SERS' website www.ohsers.org under Employers/Audit Resources.

9. OTHER EMPLOYEE BENEFITS

A. Compensated Absences

All employees receive 5 sick days and 2 personal days per school year. Employees are not permitted to carry over balances at year end; therefore, there is no liability for accrued compensated absences.

B. Employee Medical and Dental Benefits

The PCLC has purchased insurance from Anthem Blue Cross/Blue Shield to provide employee medical/surgical. The PCLC pays 75% for the employee's rate and 70% of any dependents, including spouses. Dental Care Plus provides dental coverage to all employees with PCLC paying 80% of the premium.

Phoenix Community Learning Center
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

10. CONTINGENCIES

A. Grants

The PCLC received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the PCLC at June 30, 2014.

B. State Funding

The Ohio Department of Education conducts reviews of enrollment data and FTE calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated.

The Ohio Department of Education (ODE) has identified several community schools and/or STEM schools that made critical data errors between the June payment and the Final #1 payment. As a result, ODE will be running a Final #2 foundation report for community schools and STEM schools for fiscal year 2014. As of the date of this report, a final list of schools impacted and amounts are not yet available, but ODE believes this will result in receivables to the schools affected.

11. BOARD MEMBERS

Board members receive a \$125 stipend per meeting effective May 2010 and still the effective rate.

12. RELATED PARTY TRANSACTIONS

Dr. Glenda Brown, Superintendent, and Mr. Luther Brown, Board President, who are co-founders of PCLC, are married.

The PCLC employed Sherrylon Miree, Dr. Glenda Brown's niece, during 2014 and was paid \$38,245 in salary.

13. CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the PCLC entered into a capital lease for apple computers totaling \$72,939. The terms of the agreement provides an option to purchase the equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, Accounting for Leases, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been from the capital outlay object code on a cash basis and these expenses are reclassified on a GAAP basis to interest or principal reduction. Principal payments in fiscal year 2014 totaled \$22,202 and interest payments of \$8,782.

Phoenix Community Learning Center
Notes to the Basic Financial Statements
For the Year Ended June 30, 2014

13. CAPITALIZED LEASES - LESSEE DISCLOSURE (Continued)

Fiscal Year Ending June 30,	Capital Leases Payable		
	Principal	Interest	Total
2015	\$26,153	\$4,831	\$30,984
2016	14,774	719	15,493
Totals	\$40,927	\$5,550	\$46,477

14. LONG TERM LIABILITIES

The changes in the PCLC's long-term obligations (non-current liabilities) during the year consist of the following:

	Obligation Outstanding 7/01/13	Additions	Reductions	Obligation Outstanding 6/30/14	Amounts Due in One Year
Self Help Venture					
Loan Payable					
6.51% 3/29/2016	\$3,376,603	\$0	\$75,509	\$3,301,094	\$80,644
Capital Lease Payable	63,129	0	22,202	40,927	26,153
Total Long Term Liabilities	\$3,439,732	\$0	\$97,711	\$3,342,021	\$106,797

The PCLC entered into a loan agreement during 2009 with Self Help Ventures Fund to acquire land and a building for their new facility. The loan is also used to complete renovation of the building for use by the PCLC in fiscal year 2010. The loan will be retired from operating dollars and amortized over a twenty-five year schedule but is due in 2016 with a balloon payment on the final due date.

Fiscal Year Ending June 30,	Long Term Loan		
	Principal	Interest	Total
2015	\$80,644	\$215,735	\$296,379
2016	3,220,450	158,373	3,378,823
Totals	\$3,301,094	\$374,108	\$3,675,202

**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
Nutrition Cluster:			
National school breakfast	10.553	\$ 98,410	\$ 98,410
National school lunch	10.555	\$ 160,143	\$ 160,143
Total nutrition cluster		\$ 258,553	\$ 258,553
Total U.S. Department of Agriculture		\$ 258,553	\$ 258,553
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education</i>			
Race to the Top	84.395	\$ 47,978	\$ 42,497
Resident Educator	84.395	\$ 1,750	\$ 1,750
IDEA Part B	84.027	\$ 65,482	\$ 65,482
Title I	84.010	\$ 331,526	\$ 321,681
Title II A	84.367	\$ 11,828	\$ 11,828
Total U.S. Department of Education		\$ 458,564	\$ 443,238
Total Federal Awards Expenditures		\$ 717,117	\$ 701,791

The accompanying notes are an integral part of this schedule.

**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

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

Phoenix Community Learning Center
Hamilton County
3595 Washington Avenue
Cincinnati, Ohio 45229

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Phoenix Community Learning Center, Hamilton County, Ohio (the School) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated March 23, 2015.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the School's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Richardson & Associates, LLC

Richardson & Associates, LLC
Cincinnati, Ohio
March 23, 2015

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

Phoenix Community Learning Center
Hamilton County
3595 Washington Avenue
Cincinnati, Ohio 45229

To the Board of Directors:

Report on Compliance for Each Major Federal Program

We have audited the Phoenix Community Learning Center's (the School) compliance with the applicable 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 Phoenix Community Learning Center's major federal programs for the year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School's major federal programs.

Management's Responsibility

The School's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the School's compliance for each of the School's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for 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 us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the School's major programs. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the Phoenix Community Learning Center complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

The School's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the School's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine 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's applicable 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Richardson & Associates, LLC

Richardson & Associates, LLC
Cincinnati, Ohio
March 23, 2015

**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
JUNE 30, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under §.510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Nutrition Cluster – CFDA 10.553 and 10.555 Title I – CFDA 84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	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

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

Phoenix Community Learning Center
Hamilton County
3595 Washington Ave.
Cincinnati, Ohio 45229

To the Board of Directors:

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

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Phoenix Community Learning Center (the Center) 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. The school did not amend its anti-harassment policy to include prohibiting harassment, intimidation, or bullying of any student “on a school bus”.
2. The school did not amend its anti-harassment policy to include prohibiting "violence within a dating relationship".

Ohio Rev. Code Section 3313.666 required the School to amend its policy accordingly.

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 the Center’s sponsor, is not intended to be, and should not be used by anyone other than these specified parties.

Richardson & Associates, LLC

Richardson & Associates, LLC
Cincinnati, Ohio
March 23, 2015

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Dave Yost • Auditor of State

PHOENIX COMMUNITY LEARNING CENTER

HAMILTON 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
JULY 14, 2015**