



**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2009



Mary Taylor, CPA
Auditor of State

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Columbus Collegiate Academy
Franklin County
28 East 7th Avenue
Columbus, Ohio 43201

To the Board of Directors:

We have audited the accompanying financial statements of the Columbus Collegiate Academy, Franklin County, Ohio (the School), as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on the 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 the Columbus Collegiate Academy, Franklin County, Ohio, as of and for the year ended June 30, 2009, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2010, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

Mary Taylor, CPA
Auditor of State

February 3, 2010

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

The discussion and analysis of Columbus Collegiate Academy's (the School) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the School'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 School's financial performance.

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

Financial Highlights

Key financial highlights for Columbus Collegiate Academy during fiscal year 2009 are as follows:

- Total net assets of the School increased \$35,660 in fiscal year 2009 due to capital asset additions of \$23,292. Ending net assets of the School were \$61,059.
- The School's operating loss for fiscal year 2009 was \$380,929.

Using this Financial Report

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

Statement of Net Assets

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

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

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

Table 1 provides a summary of the School's net assets for fiscal year 2009 (the School's net assets cannot be compared to those reported for fiscal year 2008 because the school was not in operation).

Table 1
Net Assets

	2009
Assets:	
Cash	\$ 11,006
Intergovernmental Receivables	1,662
Accounts Receivable	1,620
Capital Assets, net	48,691
Total Assets	\$ 62,979
Liabilities:	
Accounts Payable	\$ 1,004
Unearned Revenue	916
Total Liabilities	\$ 1,920
Net Assets:	
Invested in capital assets, net of related debt	\$ 48,691
Unrestricted	12,368
Total Net Assets	\$ 61,059

A comparative analysis will be provided in future years when prior year information is available.

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2009 (the School cannot compare to changes reported for fiscal year 2008 because the School was not in operation).

**Table 2
Change in Net Assets**

	2009
Operating Revenues:	
Foundation Payments	\$ 318,971
Other Operating Revenues	3,523
Non Operating Revenues:	
State and Federal Grants	241,445
Contributions	174,743
Interest Earnings	401
Total Revenues	<u>\$ 739,083</u>
Operating Expenses:	
Salaries & Wages	\$ 284,339
Fringe Benefits	68,443
Contracted Fiscal Services	48,272
Purchased Services	204,312
Materials and Supplies	82,764
Depreciation Expense	13,760
Other Expenses	1,533
Total Expenses	<u>\$ 703,423</u>
Change in Net Assets	\$ 35,660
Net Assets, beginning of year	<u>25,399</u>
Net Assets, end of year	<u>\$ 61,059</u>

A comparative analysis will be provided in future years when prior year information is available.

Operating revenues which are primarily composed of foundation payments were \$322,494, which represents 43.6 percent of total revenue. 57.0 percent of operating expenses are composed of contractual obligations relating to payroll and fiscal services.

Capital Assets

Capital assets increased \$23,292 during the fiscal year. This increase represents current year additions of \$37,052, offset by current year depreciation of \$13,760. See Note 4 of the basic financial statements for additional details.

Debt

The School had no long-term debt activity during the fiscal year.

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

Currently Known Facts

The School's enrollment averaged 51 students during fiscal year 2009. Based upon current projections, the Columbus Collegiate Academy is expected to increase average student enrollment by approximately 60% during fiscal year 2010.

Contacting the School

This financial report is designed to provide a general overview of the finances of the Columbus Collegiate Academy and to show the School's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to the Treasurer of Columbus Collegiate Academy, 6500 Poe Avenue, Suite 350, Dayton, Ohio 45414.

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**STATEMENT OF NET ASSETS
AS OF JUNE 30, 2009**

Assets:

Current Assets

Cash and Cash Equivalents	\$ 11,006
Intergovernmental receivables	1,662
Accounts Receivable	<u>1,620</u>
Total Current Assets	<u>14,288</u>

Non-Current Assets

Capital Assets (Net of Accumulated Depreciation)	48,691
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Total Assets	<u>62,979</u>
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Liabilities:

Current Liabilities

Accounts Payable	1,004
Unearned Revenue	<u>916</u>

Total Current Liabilities	<u>1,920</u>
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Total Liabilities	<u>1,920</u>
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Net Assets:

Invested in capital assets, net of related debt	48,691
Unrestricted	<u>12,368</u>

Total Net Assets	<u><u>\$ 61,059</u></u>
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See accompanying notes to the financial statements.

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Operating Revenues:	
Foundation Payments	\$ 318,971
Miscellaneous Operating Revenues	3,523
Total Operating Revenues	<u>322,494</u>
Operating Expenses:	
Salaries & Wages	284,339
Fringe Benefits	68,443
Contracted Fiscal Services	48,272
Other Purchased Services	204,312
Materials and Supplies	82,764
Depreciation	13,760
Other Expenses	1,533
Total Operating Expenses	<u>703,423</u>
Operating Loss	<u>(380,929)</u>
Non-Operating Revenues	
Federal Grants	236,445
State Grants	5,000
Contributions	174,743
Other Non-Operating Revenues	401
Total Non-Operating Revenues	<u>416,589</u>
Change in Net Assets	35,660
Net Assets, beginning of year	<u>25,399</u>
Net Assets, end of year	<u>\$ 61,059</u>

See accompanying notes to the financial statements.

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from State of Ohio	\$ 318,971
Cash Payments to Employees for Services and Benefits	(352,782)
Cash Payments to Suppliers for Goods and Services	(335,877)
Cash Received from Other Operating Sources	1,903
Net Cash Provided By/(Used for) Operating Activities	<u>(367,785)</u>
Cash Flows from Noncapital Financing Activities	
Federal and State Grants	240,699
Contributions	67,232
Investing Activities	401
Net Cash Provided by Noncapital Financing Activities	<u>308,332</u>
Cash Flows from Capital and Related Financing Activities	
Cash Payments for Capital Acquisitions	<u>(37,052)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(37,052)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(96,505)
Cash and Cash Equivalents, Beginning of Year	107,511
Cash and Cash Equivalents, End of Year	11,006
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Income (Loss)	<u>(380,929)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	13,760
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(1,620)
Increase (Decrease) in Accounts Payable	1,004
Total Adjustments	<u>13,144</u>
Net Cash Used for Operating Activities	<u><u>\$ (367,785)</u></u>

See accompanying notes to the financial statements.

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**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

1. Description of the School and Reporting Entity

Columbus Collegiate Academy (the School), is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of students in grade 6. The School, which is part of the State's education program, is independent of any school district and is non sectarian in its programs, admission policies, employment practices, and all other operations. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School.

The School's had one fiscal service provider during the 2009 fiscal year, Mangen & Associates School Resource Center. Sandra Griscom served as the Certified Treasurer July 1, 2008 to September 30, 2008. Jason Moore served as the Certified Treasurer October 1, 2008 through the remainder of the fiscal period. The Thomas B. Fordham Foundation was the School's sponsor in fiscal year 2009. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School operates under the direction of a five-member Board of Trustees (the Board). The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The Board controls the School's instructional/support facility staffed by 1 non-certified and 5 certificated personnel who provide services to an average of 51 full time students.

The School entered into a service agreement with Mangen & Associates in July 2008 to provide certain financial and accounting services, including performing all duties required of the Treasurer of the School.

2. Summary of Significant Accounting Policies

The financial statements of the School 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 School also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The School has elected not to apply FASB statements and interpretations issued after November 30, 1989. The more significant of the School's accounting policies are described below.

A. Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (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.

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its 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 assets. The difference between total assets and liabilities are defined as net assets. The statement of revenues, expenses and changes in net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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 Section 5705, unless specifically provided in the Schools contract with its Sponsor. The contract between the School and its Sponsor prescribes preparing a five-year forecast which is to be updated on an annual basis.

D. Cash and Cash Equivalents

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

E. Capital Assets

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

Depreciation of furniture and equipment is computed using the straight-line method over estimated useful lives of five years.

F. 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.

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

2. Summary of Significant Accounting Policies (Continued):

G. Intergovernmental Revenues

The School is a participant in the State Foundation Program. The foundation funding is recognized as operating revenues in the accounting period in which they are earned, essentially the same as the fiscal year. Federal and state grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements of the grants have been met.

H. Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly by the School's primary mission. For the School, operating revenues include revenues paid through the State Foundation Program. Operating expenses are necessary costs incurred to support the School's primary mission, including salaries, benefits, purchased services, materials and supplies and depreciation.

Non-operating revenues and expenses are those that are not generated directly by the School's primary mission. Various federal and state grants, interest earnings, if any, and payments made to the School by other instructional entities for use of the School's instructional staff comprise the non-operating revenues of the School.

I. Federal Tax Exemption Status

The School is a non-profit organization that has been determined by the Internal Revenue Service to be exempt from federal income taxes as a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code.

J. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation less any outstanding capital related debt. Net assets are 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. Restricted net assets of the School at year-end represent unspent federal and state grant resources for specific instructional program. The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The School had no restricted assets at the end of fiscal year 2009.

3. Deposits and Investments

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

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

3. Deposits and Investments (Continued)

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

At June 30, 2009, the carrying amount of the School's deposits was \$11,006 and the bank balance was \$19,315. Of the bank deposits, \$19,315 were collateralized under FDIC insurance and the remaining \$0 were uncollateralized and uninsured. Although all statutory requirements for the deposit of public money had been followed, non-compliance with federal requirements could potentially subject the School to a successful claim by the FDIC.

4. Capital Assets

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

Balance	Balance			
	6/30/08	Additions	Deletions	6/30/09
Capital Assets:				
Furniture and Equipment	\$ 31,749	\$ 37,052	\$ 0	\$ 68,801
Total Assets	<u>31,749</u>	<u>37,052</u>	<u>0</u>	<u>68,801</u>
Depreciation:				
Furniture and Equipment	\$ 6,350	\$ 13,760	\$ 0	\$20,110
Accumulated Depreciation	<u>6,350</u>	<u>13,760</u>	<u>0</u>	<u>20,110</u>
Net Capital Assets	<u>\$ 23,399</u>			<u>\$ 48,691</u>

5. Risk Management

A. Property and Liability

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. For the year ended June 30, 2009, the School contracted with Arthur J. Gallagher Risk Management Services, Inc. for its insurance coverage as follows:

General Liability per occurrence (\$0 Deductible)	\$1,000,000
General Liability aggregate	\$2,000,000

Settlement amounts did not exceed coverage amounts in fiscal year 2009.

B. Workers' Compensation

The School pays the State Worker's Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is determined by the State.

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

6. Defined Benefit Pension Plans

A. School Employees Retirement System

The School contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; at June 30, 2008 (the latest information currently available), 9.16 percent of annual covered salary was the portion used to fund pension obligations. 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. The School's required contributions for pension obligations to SERS for the fiscal year ended June 30, 2009 was \$4,200; 100 percent has been contributed for the fiscal year.

B. State Teachers Retirement System

The School participates in the State Teachers Retirement System of Ohio (STRS Ohio), 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 that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling toll free (800) 227-7877, or by visiting STRS Ohio web-site 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 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. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

6. Defined Benefit Pension Plans (Continued)

B. State Teachers Retirement System (Continued)

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.

For the fiscal year ended June 30, 2009, plan members were required to contribute the statutory maximum of 10.0 percent of their annual covered salaries. The School 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% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School's required contributions for pension obligations to STRS Ohio for the fiscal year ended June 30, 2009 was \$36,768; 100 percent has been contributed for the fiscal year.

7. Post-employment Benefits

The School provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

Plan Description – The School 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 give 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 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School's contribution for health care for the fiscal year ended June 30, 2009 was \$1,703; 100 percent has been contributed for fiscal year 2009.

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

7. Post-employment Benefits (Continued)

Plan Description – The School participates in two cost-sharing multiple employer defined benefit OPED plans administered by the School Employees Retirement System 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 and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. 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.

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 401h. For 2009, 4.25 percent of covered payroll was allocated to health care. The School's contribution for health care for fiscal year ended June 30, 2009 was \$4,824; 100 percent has been contributed for fiscal year 2009.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The Retirement Board, acting with advice of the actuary, allocated a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contribution for Medicare Part B for the fiscal year ended June 30, 2009 was \$749, 100 percent has been contributed for fiscal year 2009. The School's contribution to Medicare Part B for the fiscal year ended June 30, 2009 was \$749; 100 percent has been contributed for fiscal year 2009.

8. Contingencies

A. Grants

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts, which may be disallowed, if any, are not presently determinable. However, in the opinion of the School, any such disallowed claims will not have a material adverse effect on the financial position of the School at June 30, 2009.

9. Contracted Fiscal Services

The School entered into a contract with Mangen & Associates (M&A) School Resource Center, which is an education finance consulting company, to provide basic treasurer and financial/operations management services for the fiscal year 2009. The Agreement may be terminated by either party, with or without cause, by giving the other party ninety days written notice to terminate. The Agreement provides that M&A School Resource Center will perform basic treasurer services, financial management services and basic SOES/EMIS/DASL services. The total fee paid for these services during fiscal year 2009 was \$48,272.

**COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

10. Other Employee Benefits

A. Employee Medical and Dental Benefits

The School has purchased insurance from United Health Care to provide employee medical/surgical, dental, life and vision benefits. The School pays 80% of the employee premium.

11. Other Purchased Services

During the fiscal year ended June 30, 2009, other purchased service expenses for services rendered by various vendors were as follows:

Professional and Technical Services	\$ 21,927
Property Services	86,298
Travel Mileage/Meeting Expense	39,025
Communications	3,958
Contracted Craft or Trade Services	43,947
Oper., Maint. & Repair to Plant	4,474
Dues & Fees	390
Insurance	<u>4,293</u>
Total Purchased Services	<u>\$ 204,312</u>

12. Operating Lease – Lessee Disclosure

The School leases its facilities from the 7th Avenue Community Baptist Church. The lease commenced August 1, 2008 and expiring June 30, 2009, with a monthly rental of \$7,273 or \$80,003 annually. The lease was subsequently renewed for the period August 1, 2009 through June 30, 2010 at the same monthly rental as the initial agreement (See Note 13).

13. Subsequent Events

The School entered into a promissory note on September 11, 2009 for \$20,000 with Edwin H. Boy, the School Director's father. The note is due December 31, 2009 and will incur 5.5 percent per annum interest charges.

In August 2009, the School renewed their lease with 7th Avenue Community Baptist Church for the period of August 1, 2009 through June 30, 2010. Monthly rental charges are \$7,273 or \$80,003 annually.



Mary Taylor, CPA

Auditor of State

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

Columbus Collegiate Academy
Franklin County
28 East 7th Avenue
Columbus, OH 43201

To the Board of Directors:

We have audited the financial statements of the Columbus Collegiate Academy, Franklin County, Ohio (the School) as of and for the year ended June 30, 2009, and have issued our report thereon dated February 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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

We noted certain matters that we reported to the School's management in a separate letter dated February 3, 2010.

Compliance and Other Matters

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

We intend this report solely for the information and use of management, finance committee, Board of Directors, and the Thomas B. Fordham Foundation (Sponsor). We intend it for no one other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

February 3, 2010



Mary Taylor, CPA

Auditor of State

Independent Accountant's Report on Applying Agreed-Upon Procedures

Columbus Collegiate Academy
Franklin County
23 East 7th Avenue
Columbus, Ohio 43201

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

1. We noted the Board adopted an anti-harassment policy at its meeting on December 4, 2008.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

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- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

This report is intended solely for the information and use of the Board and the Thomas B. Fordham Foundation (Sponsor) and is not intended to be and should not be used by anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

February 3, 2010



Mary Taylor, CPA
Auditor of State

COLUMBUS COLLEGIATE ACADEMY
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 2, 2010