

Aurora Academy  
Lucas County, Ohio

Regular Audit

July 1, 2009 through June 30, 2010  
Fiscal Year Audited Under GAGAS: 2010



**Balestra, Harr & Scherer, CPAs, Inc.**

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# Dave Yost • Auditor of State

Board of Education  
Aurora Academy  
541 Utah Street  
Toledo, OH 43605

We have reviewed the *Independent Auditor's Report* of the Aurora Academy, Lucas County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2009 through June 30, 2010. 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 Aurora Academy is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

April 1, 2011

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**Aurora Academy**  
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*For the Fiscal Year Ended June 30, 2010*

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### Independent Auditor's Report

Members of the Board of Education  
Aurora Academy  
541 Utah Street  
Toledo, OH 43605

We have audited the accompanying financial statements of the business-type activities of the Aurora Academy, Lucas County, (the Academy), as of and for the year ended June 30, 2010, which collectively comprise the Academy's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

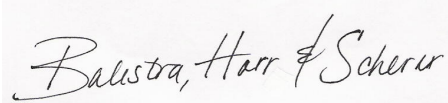
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Aurora Academy, Lucas County, as of June 30, 2010, and the respective changes in financial position and, cash flows thereof for 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 21, 2011 on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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.

Members of the Board of Education  
Aurora Academy  
Independent Auditor's Report  
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As described in Note 4, the Academy implemented Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets, GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, and GASB Statement No. 58, Accounting and Financial Reporting for Chapter 9 Bankruptcies.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

February 21, 2011



**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)

The management's discussion and analysis of Aurora Academy's (the "Academy") financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the Academy'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 Academy's financial performance.

**Financial Highlights**

Key financial highlights for 2010 are as follows:

- In total, net assets were \$227,295 at June 30 2010.
- The Academy had operating revenues of \$1,046,116 and operating expenses of \$1,649,666 for fiscal year 2010. The Academy also received \$555,424 in federal and State grants during fiscal year 2010. Total change in net assets for the fiscal year was a decrease of \$47,914.

**Using these Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Academy's financial activities. The *statement of net assets* and *statement of revenues, expenses and changes in net assets* provide information about the activities of the Academy, including all short-term and long-term financial resources and obligations.

**Reporting the Academy Financial Activities**

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

These documents look at all financial transactions and ask the question, "How did we do financially during 2010?" The statement of net assets and the statement of revenues, expenses and changes in net assets answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

The statement of cash flows provides information about how the Academy finances and is meeting the cash flow needs of its operations. The statement of cash flows can be found on page 9 of this report.

**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)

The table below provides a summary of the Academy's net assets for fiscal years 2010 and 2009

	<b>Net Assets</b>	
	<u>2010</u>	<u>2009</u>
<b><u>Assets</u></b>		
Current assets	\$ 292,222	\$ 346,751
Capital assets, net	<u>5,701</u>	<u>15,712</u>
Total assets	<u>297,923</u>	<u>362,463</u>
<b><u>Liabilities</u></b>		
Current liabilities	70,628	85,846
Non-current liabilities	<u>-</u>	<u>1,408</u>
Total liabilities	<u>70,628</u>	<u>87,254</u>
<b><u>Net Assets</u></b>		
Invested in capital assets, net of related debt	5,701	14,304
Restricted	83,974	45,416
Unrestricted	<u>137,620</u>	<u>215,489</u>
Total net assets	<u>\$ 227,295</u>	<u>\$ 275,209</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the Academy's net assets totaled \$227,295. Both current assets and current liabilities decreased during fiscal year 2010.

The revenue generated by community schools are heavily dependent upon per-pupil allotment given by the State foundation program and federal entitlement programs. Foundation payments, including foundation payments related to special education, attributed to 65.02% of total operating and non-operating revenues during fiscal year 2010. The amount of funding from foundation stayed consistent in fiscal years 2009 and 2010. However, the Academy did have an increase of \$178,185 in non-operating Federal and State grants in fiscal year 2010 due to American Recovery and Relief Act (ARRA) grants.

**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)

The table below shows the changes in net assets for fiscal years 2010 and 2009.

**Change in Net Assets**

	<u>2010</u>	<u>2009</u>
<b><u>Operating Revenues:</u></b>		
State foundation	\$ 1,004,394	\$ 1,098,430
Special education	37,126	50,624
Food services	2,103	5,674
Other operating revenue	2,493	999
Total operating revenue	<u>1,046,116</u>	<u>1,155,727</u>
<b><u>Operating Expenses:</u></b>		
Salaries and wages	703,061	747,597
Fringe benefits	251,403	242,970
Purchased services	505,352	493,690
Materials and supplies	162,487	75,698
Depreciation	10,011	15,749
Other	17,352	20,333
Total operating expenses	<u>1,649,666</u>	<u>1,596,037</u>
<b><u>Non-operating revenues:</u></b>		
Federal and State grants	555,424	377,239
Interest income	244	1,398
Interest and fiscal charges	(32)	(307)
Total non-operating revenues	<u>555,636</u>	<u>378,330</u>
Change in net assets	(47,914)	(61,980)
Net assets at beginning of year	<u>275,209</u>	<u>337,189</u>
Net assets at end of year	<u>\$ 227,295</u>	<u>\$ 275,209</u>

**Capital Assets**

At June 30, 2010, the Academy had \$5,701 invested in furniture, fixtures and equipment and leasehold improvements, net of accumulated depreciation. See Note 6 in the notes to the basic financial statements for more detail on capital assets.

**Debt Administration**

During fiscal year 2010, the Academy made the final principal payment on the capital lease obligation. The Academy did not have any outstanding debt at June 30, 2010.

**Current Financial Related Activities**

The Academy was formed in fiscal year 1999. The Academy's fiscal agent relationship with the Lucas County Educational Service Center aids in raising the quality of financial records and strengthens internal controls. During the 2009-2010 school year, there were approximately 161 students enrolled in the Academy. The Academy relies on the

**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Unaudited)

State Foundation Funds as well as State and Federal Sub-Grants to provide the monies necessary to operate the Academy.

**Contacting the School's Financial Management**

This financial report is designed to provide our clients and creditors with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Jeff Mangas, Business Manager of Aurora Academy, 541 Utah Street, Toledo, Ohio 43605-2295 or email at [aurora\\_jm@nwoca.org](mailto:aurora_jm@nwoca.org).

BASIC  
FINANCIAL STATEMENTS

**AURORA ACADEMY**  
**LUCAS COUNTY, OHIO**  
STATEMENT OF NET ASSETS  
JUNE 30, 2010

<b>Assets:</b>	
<u>Current assets:</u>	
Cash and cash equivalents . . . . .	\$ 181,834
Receivables:	
Intergovernmental . . . . .	82,648
Prepayments . . . . .	<u>27,740</u>
Total current assets . . . . .	<u>292,222</u>
<u>Noncurrent assets:</u>	
Depreciable capital assets, net . . . . .	<u>5,701</u>
Total assets. . . . .	<u>297,923</u>
 <b>Liabilities:</b>	
<u>Current liabilities:</u>	
Accounts payable. . . . .	5,148
Accrued wages and benefits . . . . .	48,633
Pension obligation payable. . . . .	10,071
Intergovernmental payable . . . . .	<u>6,776</u>
Total current liabilities . . . . .	<u>70,628</u>
Total liabilities . . . . .	<u>70,628</u>
 <b>Net assets:</b>	
Invested in capital assets. . . . .	5,701
Restricted for:	
Locally funded programs. . . . .	1,790
Other purposes. . . . .	3,196
State funded programs. . . . .	414
Federally funded programs. . . . .	78,574
Unrestricted. . . . .	<u>137,620</u>
Total net assets . . . . .	<u>\$ 227,295</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**AURORA ACADEMY**  
**LUCAS COUNTY, OHIO**  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<b>Operating revenues:</b>	
State foundation. . . . .	\$ 1,004,394
Special education. . . . .	37,126
Food services. . . . .	2,103
Other operating revenue. . . . .	2,493
Total operating revenues . . . . .	<u>1,046,116</u>
<b>Operating expenses:</b>	
Salaries and wages. . . . .	703,061
Fringe benefits. . . . .	251,403
Purchased services. . . . .	505,352
Materials and supplies . . . . .	162,487
Depreciation . . . . .	10,011
Other. . . . .	17,352
Total operating expenses. . . . .	<u>1,649,666</u>
Operating loss. . . . .	<u>(603,550)</u>
<b>Non-operating revenues(expenses):</b>	
Federal and state grants. . . . .	555,424
Interest revenue . . . . .	244
Interest and fiscal charges . . . . .	(32)
Total nonoperating revenues (expenses) . . . . .	<u>555,636</u>
Change in net assets. . . . .	(47,914)
<b>Net assets at beginning of year . . . . .</b>	<u>275,209</u>
<b>Net assets at end of year. . . . .</b>	<u>\$ 227,295</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**AURORA ACADEMY**  
**LUCAS COUNTY, OHIO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<b>Cash flows from operating activities:</b>	
Cash received from State foundation . . . . .	\$ 1,041,520
Cash received from sales/charges for services. . . . .	2,103
Cash received from other operations . . . . .	2,493
Cash payments for salaries and wages. . . . .	(706,945)
Cash payments for fringe benefits. . . . .	(269,162)
Cash payments to suppliers for goods and services. . . . .	(507,943)
Cash payments for materials and supplies . . . . .	(161,608)
Cash payments for other expenses . . . . .	(17,165)
	<hr/>
Net cash used in operating activities. . . . .	(616,707)
<b>Cash flows from noncapital financing activities:</b>	
Federal and State grants. . . . .	504,956
	<hr/>
Net cash provided by noncapital financing activities. . . . .	504,956
<b>Cash flows from capital and related financing activities:</b>	
Interest and fiscal charges . . . . .	(32)
Principal retirement on capital lease . . . . .	(1,408)
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Net cash used in capital and related financing activities. . . . .	(1,440)
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	244
	<hr/>
Net cash provided by investing activities . . . . .	244
	<hr/>
Net increase in cash and cash equivalents. . . . .	(112,947)
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<b>294,781</b>
<b>Cash and cash equivalents at end of year . . . . .</b>	<b>\$ 181,834</b>
	<hr/> <hr/>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss. . . . .	\$ (603,550)
Adjustments:	
Depreciation . . . . .	10,011
Changes in assets and liabilities:	
(Increase) in prepayments . . . . .	(7,950)
Increase in accounts payable. . . . .	52
(Decrease) in accrued wages and benefits . . . . .	(13,489)
(Decrease) in intergovernmental payable . . . . .	(2,457)
Increase in pension obligation payable. . . . .	676
	<hr/>
Net cash used in operating activities. . . . .	\$ (616,707)
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 1 - DESCRIPTION OF THE ACADEMY**

Aurora Academy (the “Academy”) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Academy is an approved tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy’s tax-exempt status. The Academy’s objective is to provide and coordinate educational, social, recreational, mental, physical and emotional services to at-risk and typical children in a multi-age learning community that serves the child and the child’s family group. The Academy, which is part of the State’s education program, is independent of any Academy district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The Academy may acquire facilities as needed and contract for any services necessary for the operation of the Academy.

The Academy entered into a sponsorship agreement with Buckeye Community Hope Foundation. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. The Academy also has an agreement with the Lucas County Educational Service Center to act as fiscal agent (See Note 11).

The Academy operates under the direction of a ten-member Governing Board. The Governing 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 Governing Board controls the Academy’s one instructional/support facility staffed by 15 non-certified and 20 certified full time teaching personnel who provide services to 161 students.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

The Academy’s basic financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows. Enterprise fund reporting focuses on the determination of the change in net assets, financial position and cash flows.

**B. 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 statements of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its enterprise activities.

**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**C. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Academy's financial statements are prepared using the accrual basis of accounting.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Revenues resulting from nonexchange transactions, in which the Academy receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. 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 Academy must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

Expenses are recognized at the time they are incurred.

**D. Budgetary Process**

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

**E. Cash and Cash Equivalents**

All monies received by the Academy are accounted for by the Academy's fiscal agent, the Lucas County Educational Service Center. All cash received by the fiscal agent is maintained in separate bank accounts in the Academy's name. Monies for the Academy are maintained in these accounts or temporarily used to purchase short-term investments.

For the purposes of the statement of cash flows and for presentation on the statement of net assets, investments with original maturities of three months or less at the time they are purchased by the Academy are considered to be cash equivalents.

**F. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**G. Capital Assets**

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 values as of the date received. The Academy maintains a capitalization threshold of five hundred dollars. The Academy does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Leasehold Improvements	5 years
Furniture, Fixtures and Equipment	5 years

**H. Net Assets**

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

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

**I. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activities. For the Academy, these revenues are primarily foundation payments from the State. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the Academy. Revenues and expenses not meeting this definition are reported as non-operating.

**J. Intergovernmental Revenue**

The Academy currently participates in the State foundation program, ARRA grants, EMIS, IDEA-B grant, the Title I grant, the Title I-A grant, the Title II-D grant, Title II-A grant, Title V grant and the Title IV-A grant. Revenues from the State foundation program are recognized as operating revenue in the accounting period in which all eligibility requirements had been met. Revenues received from the remaining programs are recognized as non-operating revenues in the accompanying financial statements. Grants and entitlements 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 permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

**K. Estimates**

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

**NOTE 3 - DEPOSITS AND INVESTMENTS**

**A. Deposits with Financial Institutions**

At June 30, 2010, the carrying amount of all Academy deposits was \$(5,242), exclusive of the \$136,838 repurchase agreement included in investments below. A liability was not recorded for the negative carrying amount of deposits because there was not actual overdraft, due to the “zero-balance” nature of the Academy’s bank accounts. The negative carrying amount of deposits is due to the sweeping of monies into overnight repurchase agreements which are reported as “investments”. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2010, the Academy’s bank balance of \$42,384 was covered by the Federal Deposit Insurance Corporation (FDIC).

**B. Investments**

As of June 30, 2010, the Academy had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> 6 months or less
Repurchase agreement	\$ 136,838	\$ 136,838
STAR Ohio	50,238	50,238
Total	<u>\$ 187,076</u>	<u>\$ 187,076</u>

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Academy’s investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The Academy’s investments in STAR Ohio were assigned an AAAM money market rating by Standard & Poor’s. Academy’s repurchase agreements are not rated.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Academy will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Academy’s \$136,838 investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment’s counterparty, not in the name of the Academy. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The Academy has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)**

*Concentration of Credit Risk:* The Academy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Academy at June 30, 2010:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Repurchase agreement	\$ 136,838	73.15
STAR Ohio	50,238	26.85
Total	<u>\$ 187,076</u>	<u>100.00</u>

**C. Reconciliation of Cash and Investments to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2010:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ (5,242)
Investments	<u>187,076</u>
Total	<u>\$ 181,834</u>
 <u>Cash and investments per statement of net assets</u>	
Business-type activities	<u>\$ 181,834</u>

**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For fiscal year 2010, the Academy has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. The implementation of GASB Statement No. 51 did not have an effect on the financial statements of the Academy.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the Academy.

**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the District.

**NOTE 5 - RECEIVABLES**

Receivables at June 30, 2010, consisted of intergovernmental receivables arising from grants and entitlements. All receivables are considered collectable in full. A summary of the principal items of receivables follows:

<b>Receivables</b>	<u>Amount</u>
Intergovernmental	
Title I	\$ 61,487
Title I-A	17,069
IDEA-B	2,650
Title II-D	413
Federal food service	996
Title II-A	<u>33</u>
Total intergovernmental receivable	<u>\$ 82,648</u>

**NOTE 6 - CAPITAL ASSETS**

A summary of the Academy's capital assets at June 30, 2010, follows:

	<u>Balance 06/30/09</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 06/30/10</u>
Capital Assets:				
Furniture, fixtures and equipment	\$ 303,195	\$ -	\$ -	\$ 303,195
Leasehold improvements	95,841	-	-	95,841
Total capital assets	<u>399,036</u>	<u>-</u>	<u>-</u>	<u>399,036</u>
Less: accumulated depreciation				
Furniture, fixtures and equipment	(287,483)	(10,011)	-	(297,494)
Leasehold improvements	(95,841)	-	-	(95,841)
Total accumulated depreciation	<u>(383,324)</u>	<u>(10,011)</u>	<u>-</u>	<u>(393,335)</u>
Total capital assets, Net of accumulated depreciation	<u>\$ 15,712</u>	<u>\$ (10,011)</u>	<u>\$ -</u>	<u>\$ 5,701</u>

**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 7 - RISK MANAGEMENT**

**A. Insurance Coverage**

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the fiscal year ended 2010, the Academy contracted with the Cincinnati Insurance Company and had the following insurance coverage:

Commercial Property (\$1,000 deductible)	\$ 3,000,000
Commercial General Liability per Occurrence	1,000,000
Commercial General Liability Aggregate	3,000,000
Commercial General Liability Personal & Advertising Injury	1,000,000
Director's & Officer's Liability per Aggregate (\$5,000 Deductible)	1,000,000

The Academy owns no property, but leases a facility located at 541 S. Utah Street, Toledo, Ohio (See Note 13).

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from fiscal year 2009.

**B. Workers' Compensation**

The Academy 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 calculated by the State.

**C. Other Employee Benefits**

The Academy has contracted with a private carrier to provide employee medical, dental, and vision insurance to its full time employees who work 40 or more hours per week.

**NOTE 8 - PENSION PLANS**

**A. School Employees Retirement System**

Plan Description - The Academy contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under *Employers/Audit Resources*.

**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 8 - PENSION PLANS - (Continued)**

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute at an actuarially determined rate. The current Academy rate is 14 percent of annual covered payroll. A portion of the Academy's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2010, 12.78 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. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Academy's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$28,433, \$18,411 and \$18,273, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

**B. State Teachers Retirement System of Ohio**

Plan Description - The Academy participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://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 a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year 2010, plan members were required to contribute 10 percent of their annual covered salaries. The Academy was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.



**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 8 - PENSION PLANS - (Continued)**

The Academy's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009 and 2008 were \$62,980, \$70,687 and \$67,029, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$6,544 made by the Academy and \$9,105 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2010, certain members of the Governing Board have elected Social Security. The Academy's liability is 6.2 percent of wages paid.

**NOTE 9 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description - The Academy participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Chapter 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was \$96.40 and SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under *Employers/Audit Resources*.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2010, 0.46 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the actuarially determined amount was \$35,800.

**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)**

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

The Academy's contributions for health care (including surcharge) for the fiscal years ended June 30, 2010, 2009, and 2008 were \$4,079, \$11,368 and \$13,610, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2010, this actuarially required allocation was 0.76 percent of covered payroll. The Academy's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$1,691, \$1,519 and \$1,317, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

**B. State Teachers Retirement System of Ohio**

Plan Description - The Academy contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://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 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Academy's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$4,845, \$5,437 and \$5,156, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

**NOTE 10 - CAPITALIZED LEASE - LESSEE DISCLOSURE**

During 2001, the Academy entered into a capital lease for a copy machine. The lease met the criteria of a capital lease as defined by FASB Statement No. 13, "[Accounting for Leases](#)," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. In 2007, the copier was bought out and replaced with a new capital lease for a different copier. The capital lease has been recorded at the present value of the future minimum lease payments as of the inception date. Principal payments made during the fiscal year ended 2010 totaled \$1,408. There are no future capital lease obligations.

**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 11 - FISCAL AGENT**

The Academy entered into a service agreement as part of its Sponsorship contract with the Treasurer of the Lucas County Educational Service Center to serve as the Chief Fiscal Officer of the Academy. As part of this agreement, the Academy shall compensate the Lucas County Educational Service Center two percent (2%) of the per pupil allotment paid to the Academy from the State of Ohio. A total contract payment of \$27,959 was paid during the fiscal year and a liability in the amount of \$1,502 was accrued as a liability for the year ended June 30, 2010.

The Treasurer shall perform all of the following functions while serving as the Chief Fiscal Officer of the Academy:

- Maintain custody of all funds received by the Academy in segregated accounts separate from the Sponsor or any other Community School's funds;
- Maintain all books and accounts of the Academy;
- Maintain all financial records of the Academy and follow procedures for receiving and expending State funds, which procedures shall include that the Treasurer shall disburse money only upon receipt of a voucher signed by the Chief Administrative Officer of the Academy or that Officer's designee;
- Assist the Academy in meeting all financial reporting requirements established by the Auditor of Ohio;
- Invest funds of the Academy in the same manner as the funds of the Sponsor are invested, but the Treasurer shall not commingle the funds with any of the Sponsor or any other community school; and,
- Pay obligations incurred by the Academy within a reasonable amount of time, not more than 14 calendar days after receipt of a properly executed voucher signed by the Chief Administrative Officer of the Academy so long as the proposed expenditure is within the approved budget and funds are available.

**NOTE 12 - PURCHASED SERVICES**

For the fiscal year ended June 30, 2010, purchased services payments for services rendered by various vendors are as follows:

<b><u>PURCHASED SERVICES</u></b>	
Professional and technical services	\$ 218,833
Property services	242,221
Travel mileage/meeting expense	19,625
Communications	15,816
Utilities	<u>8,857</u>
Total purchased services	<u><u>\$ 505,352</u></u>

**AURORA ACADEMY  
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 13 - OPERATING LEASES**

- A. The Academy entered into a lease agreement for the period August 1, 2005 through July 31, 2008 with “Good Shepherd Parish” for space to house the Academy. On January 23, 2008, the Academy renewed the lease for the period July 1, 2008 through June 30, 2013. Payments totaled \$214,764 for the fiscal year 2010. Payments include maintenance and utility costs. The rent payment will be negotiated each year.
- B. On January 1, 2008, the Academy entered into an operating lease with “Daimler Chrysler Financial Services” for the lease of a van. The lease payments are \$409.34 per month for 24 months. Payments totaled \$2,456 in fiscal year 2010.
- C. On November 18, 2009, the Academy entered into two operating leases with “Ford Credit” for the lease of two vans. The combined lease payments are \$846.16 per month for 36 months. The Academy entered into a third operating lease with “Ford Credit” for the lease of a van on December 22, 2009. The lease payments were \$499.93 per month. Payments to Ford Credit totaled \$13,189 in fiscal year 2010.

**NOTE 14 - CONTINGENCIES**

**A. Grants**

The Academy received financial assistance from State agencies in the form of grants. The expense of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2010.

**B. Litigation**

The Academy is not involved in any litigation that, in the opinion of management, would have material effect on the financial statements.

**C. State Foundation Funding**

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which State foundation funding is calculated. The Academy has not been reviewed as of June 30, 2010. The Academy does not anticipate any significant adjustments to State funding for fiscal year 2011, as a result of the reviews which have yet to be completed.



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**Report on Internal Control over Financial Reporting and on Compliance and  
Other Matters Required by Government Auditing Standards**

Members of the Board of Education  
Aurora Academy  
541 Utah Street  
Toledo, Ohio 43605

We have audited the financial statements of the business-type activities of the Aurora Academy (the Academy) as of and for the year ended June 30, 2010, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated February 21, 2011 in which we noted that the Academy adopted Governmental Accounting Standards Board Statement No. 51, Statement No. 53, and Statement No. 58. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

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

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

Members of the Board of Education

Aurora Academy

Report on Internal Control over Financial Reporting and on compliance and Other Matters Required by Government Auditing Standards.

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### **Compliance and Other Matters**

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

We intend this report solely for the information and use of management, members of the Board of Education and others within the Academy. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

February 21, 2011



# Dave Yost • Auditor of State

**AURORA ACADEMY**

**LUCAS 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  
APRIL 14, 2011**