



Dave Yost • Auditor of State

**COLUMBUS BILINGUAL ACADEMY
FRANKLIN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Columbus Bilingual Academy
Franklin County
35 Midland Avenue
Columbus, Ohio 43223

To the Board of Directors:

We have audited the accompanying basic financial statements of the Columbus Bilingual Academy, Franklin County, Ohio, (the School), as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Columbus Bilingual Academy, Franklin County, Ohio, as of June 30, 2012, and the changes in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 14 to the financial statements, the School has suffered recurring losses from operations and has a net asset deficiency. Note 14 describes Management's plans regarding these matters. The financial statements do not include any adjustments that might result from the outcome of the uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2013, 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.

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

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



Dave Yost
Auditor of State

February 4, 2013

**Columbus Bilingual Academy
Franklin County**

Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Unaudited)

The discussion and analysis of Columbus Bilingual Academy's (the School) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2012. 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*. Certain comparative information between the current year and the prior year is required to be presented, and is presented in the MD&A.

Financial Highlights

Key financial highlights for the Columbus Bilingual Academy during fiscal year 2012 are as follows:

- Total net assets of the School increased \$108,041 in fiscal year 2012. Ending net assets of the School were negative \$188,886, compared to negative \$296,927 at June 30, 2011.
- Total assets increased \$22,628 and total liabilities decreased by \$85,413 from the prior fiscal year-end.
- The School's operating loss for fiscal year 2012 was \$522,952 compared with an operating loss of \$920,940 reported for the prior year.

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.

**Columbus Bilingual Academy
Franklin County**

Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Unaudited)

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.

Table 1 provides a summary of the School's net assets for fiscal year 2012 compared to those reported for fiscal year 2011.

Table 1
Net Assets

	2012	2011
Assets:		
Current assets	\$ 172,556	\$ 119,657
Capital assets, net	44,902	75,173
Total Assets	217,458	194,830
Liabilities		
Current liabilities	406,344	491,757
Total Liabilities	406,344	491,757
Net Assets:		
Invested in capital assets	44,902	75,173
Restricted	61,928	15,516
Unrestricted	(295,716)	(387,616)
Total Net Assets	\$ (188,886)	\$ (296,927)

Current assets increased by \$52,899 from current assets reported for fiscal year 2011. The key component of this increase is an increase in cash and cash equivalents as a result of improved cash flows.

Capital assets, net of accumulated depreciation, decreased \$30,271 during the current fiscal year. This decrease represents current year depreciation as the School had no acquisitions during the fiscal year.

Total liabilities decreased \$85,413 over those reported one year ago. This decrease is primarily the result of decreases in accrued wages and intergovernmental payables resulting from decreased enrollment.

The total net assets reported for fiscal year 2012 increased by \$108,041 to negative \$188,886. The information on the following page demonstrates the details of the improvement in the School's deficit reduction.

**Columbus Bilingual Academy
Franklin County**

Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Unaudited)

Table 2
Change in Net Assets

	2012	2011
Operating Revenues:		
Foundation payments	\$ 910,214	\$ 1,313,119
Food Service Revenues	20,000	-
Non Operating Revenues:		
State and Federal Grants	629,908	778,183
Other non-operating revenues	1,085	5,376
Total Revenues	1,561,207	2,096,678
Operating Expenses:		
Salaries & Wages	556,103	884,144
Fringe benefits	168,725	291,040
Purchased Services	628,458	909,632
Materials and Supplie	54,446	98,939
Depreciation	30,271	30,752
Other Expenses	15,163	19,552
Total Expenses	1,453,166	2,234,059
Change in Net Assets	108,041	(137,381)
Net Assets, beginning of year	(296,927)	(159,546)
Net Assets, end of year	\$ (188,886)	\$ (296,927)

Total revenue decreased \$535,471 in fiscal year 2012 compared with the prior fiscal year primarily due to the decreases in State Foundation and Federal subsidies revenue associated with lower student enrollment and decreased funding from stimulus monies.

Expenses reported for fiscal year 2012 were \$780,893 less than expenses reported for fiscal year 2011 primarily due to decreased spending from the decrease in enrollment during fiscal year 2012.

**Columbus Bilingual Academy
Franklin County**

Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Unaudited)

Capital Assets

At fiscal year-end, the School had \$44,902 invested in furniture and equipment, a decrease of \$30,271 in comparison with the prior period. This decrease represents the amount in which current year depreciation (\$30,271) exceeded current year capital acquisitions (\$0). See Note 5 of the basic financial statements for additional details.

Debt

The School had no debt at June 30, 2012.

Budgetary

Unlike other public schools located in the State of Ohio, community schools are not required to follow the budgetary provisions set forth in the Ohio Review code Chapter 5705 unless specifically provided in the School's contract with its Sponsor. The School does provide an annual budget in addition to five-year forecasts in October and May of each fiscal year according to its Sponsor agreement.

Current Financial Issues

The School had a considerable improvement in its net equity position during the 2012 fiscal year. However, the issues around transportation continue to be the most significant financial concern. The School's enrollment declined in fiscal year 2012 as a result of issues related to transportation. Many families are unable to transport their children to the School on a regular basis. In addition, transportation provided by the local school districts continues to be unreliable. School leaders are working diligently to find safe and efficient alternatives for student transportation during the 2012-2013 school year. This effort is expected to have a positive effect on future student enrollment.

Contacting the School

This financial report is designed to provide a general overview of the finances of the Columbus Bilingual 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 the Columbus Bilingual Academy, 35 Midland Avenue, Columbus, Ohio 43223. Phone 614-324-1492.

**COLUMBUS BILINGUAL ACADEMY
FRANKLIN COUNTY**

STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012

Assets:

Current Assets	
Cash and Cash Equivalents	\$ 52,636
Intergovernmental Receivables	119,920
Total Current Assets	<u>172,556</u>
 Noncurrent Assets	
Capital Assets, Net of Accumulated Depreciation	44,902
Total Noncurrent Assets	<u>44,902</u>
 Total Assets	<u><u>\$ 217,458</u></u>

Liabilities:

Current Liabilities	
Accounts Payable	\$ 345,300
Accrued Wages Payable	48,479
Intergovernmental Payable	11,416
Unearned Revenue	1,149
Total Current Liabilities	<u>406,344</u>
 Total Liabilities	<u><u>406,344</u></u>

Net Assets:

Invested in Capital Assets	44,902
Restricted	61,928
Unrestricted	(295,716)
Total Net Assets	<u>(188,886)</u>
 Total Liabilities and Net Assets	<u><u>\$ 217,458</u></u>

See accompanying notes to the basic financial statements.

**COLUMBUS BILINGUAL ACADEMY
FRANKLIN COUNTY**

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Operating Revenues:	
Foundation Payments	\$ 910,214
Charges for Services	20,000
Total Operating Revenues	<u>930,214</u>
 Operating Expenses:	
Salaries & Wages	556,103
Fringe Benefits	168,725
Materials and Supplies	54,446
Purchased Services	628,458
Depreciation	30,271
Other Expenses	15,163
Total Operating Expenses	<u>1,453,166</u>
 Operating Income (Loss)	 <u>(522,952)</u>
 Non-Operating Revenues (Expenses):	
Donations and Contributions	1,085
State and Federal Grant Revenue	629,908
Total Non-Operating Revenues (Expenses)	<u>630,993</u>
 Change in Net Assets	 108,041
 Net Assets Beginning of Year	 <u>(296,927)</u>
Net Assets End of Year	<u><u>\$ (188,886)</u></u>

See accompanying notes to the basic financial statements.

**COLUMBUS BILINGUAL ACADEMY
FRANKLIN COUNTY**

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Cash Flows from Operating Activities:	
Cash Received from State of Ohio	\$ 920,329
Cash Received from Customers	20,000
Cash Payments to Employees for Services and Benefits	(805,356)
Cash Payments to Suppliers for Goods and Services	(642,926)
Other Operating Expenses	(15,163)
Net Cash Used for Operating Activities	<u>(523,116)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from Donations and Contributions	1,085
Cash Received from Federal and State Grants	620,776
Repayment of Implicit Financing	(46,109)
Net Cash from Noncapital Financing Activities	<u>575,752</u>
Net Increase (Decrease) in Cash and Cash Equivalents	52,636
Cash and Cash Equivalents at Beginning of Year	-
Cash and Cash Equivalents at End of Year	<u>\$ 52,636</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:	
Operating Income (Loss)	\$ (522,952)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities:	
Depreciation	30,271
Changes in Assets and Liabilities:	
Intergovernmental Receivable	(304)
Accounts Payable	36,475
Accrued Wages	(50,772)
Intergovernmental Payable	(15,834)
Net Cash Used for Operating Activities	<u>\$ (523,116)</u>

See accompanying notes to the basic financial statements.

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COLUMBUS BILINGUAL ACADEMY

Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2012

1. Description of the School and Reporting Entity:

Columbus Bilingual Academy (the School), is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of students in kindergarten through eighth grade. 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 had one fiscal service provider during the 2012 fiscal year, Mangen & Associates School Resource Center. Douglas Mangen served as the Certified Treasurer during the entire 2012 fiscal period. The Richland Academy of the Arts was the School's sponsor in fiscal year 2012. 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 seven-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 13 certificated full time teaching personnel who provide services to 121 students.

The School entered into a service agreement with Mangen & Associates to provide certain academic program development and support, operations management, CCIP administration, EMIS/SOES/CRRS administration and financial/accounting services, including the provisions of all duties required of the Treasurer of the School. See Note 11.

2. Summary of Significant Accounting Policies:

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America 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 BILINGUAL ACADEMY

Notes to the Basic Financial Statements

For The Fiscal Year Ended June 30, 2012

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 fund 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 does prescribe an annual budget requirement in addition to 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.

All reported capital assets are depreciated. Improvements to capital assets are depreciated over the remaining useful life of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimate Life</u>
Technology Equipment	3 years
Furniture, Fixtures, and Equipment	5-15 years

COLUMBUS BILINGUAL ACADEMY

Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2012

2. Summary of Significant Accounting Policies (Continued):

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.

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 received. 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 contributions comprise the non-operating revenues of the School.

I. Accrued Liabilities Payable

The School has recognized certain liabilities on its statement of net assets relating to expenses, which are due but unpaid as of fiscal year-end, including:

Wages payable – salary payments made after year-end to instructional and support staff for services rendered prior to the end of June, but whose payroll continues into the summer months based on the fiscal year 2012 contract.

Accounts payable – payments due for services or goods that were rendered or received during fiscal year 2012. Accounts payable at fiscal year-end totaled \$345,300, of which \$334,723 represents related party transactions as the amount the School owes Mangen and Associates for services rendered. See Note 11 for additional information.

J. Unearned Revenue

If the School receives restricted funds that were not spent by the end of the fiscal year, the amount received is classified as unearned revenue and is carried over to the next fiscal year and repaid if not spent.

COLUMBUS BILINGUAL ACADEMY

Notes to the Basic Financial Statements

For The Fiscal Year Ended June 30, 2012

2. Summary of Significant Accounting Policies (Continued):

K. 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.

L. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consists of capital assets, net of accumulated depreciation. 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. The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Economic Dependency

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

3. Deposits and Investments:

At June 30, 2012, the carrying amount of the School's deposits was \$52,636 and the bank balance was \$65,207. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2012, the School's bank balance was not exposed to risk as it was covered by the Federal Deposit Insurance Corporation.

4. Intergovernmental Receivables:

All intergovernmental receivables are considered collectible in full due to the stable condition of Federal programs. A summary of the principal items of receivables at June 30, 2012 is as follows:

<u>Grants Receivables</u>	<u>Amount</u>
Federal Grants	\$109,501
STRS Overpayment	<u>10,419</u>
Total Receivable	<u>\$119,920</u>

COLUMBUS BILINGUAL ACADEMY

Notes to the Basic Financial Statements

For The Fiscal Year Ended June 30, 2012

5. Capital Assets:

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

Capital Assets:	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and Equipment	338,705	-	-	338,705
Total Capital Assets	<u>338,705</u>	<u>-</u>	<u>-</u>	<u>338,705</u>
Less Accumulated Depreciation:				
Furniture and Equipment	(263,532)	(30,271)	-	(293,803)
Total Accumulated Depreciation	<u>(263,532)</u>	<u>(30,271)</u>	<u>-</u>	<u>(293,803)</u>
Net Capital Assets	<u>\$ 75,173</u>	<u>\$ (30,271)</u>	<u>\$ -</u>	<u>\$ 44,902</u>

6. 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, 2012, the School contracted with Argonaut Insurance Group for its insurance coverage as follows:

Commercial Property – Personal Property	\$200,000
Commercial Crime	
Public Employee Dishonesty	\$50,000
Forgery or Alteration	\$50,000
Theft, Disappearance and Destruction	\$5,000
Commercial - General Liability (aggregate)	\$3,000,000
Commercial Auto	\$1,000,000
Educators Legal Liability (aggregate)	\$3,000,000
Employment Practices (aggregate)	\$3,000,000

There was no significant reduction in coverage from the prior-year. Settlement amounts have not exceeded coverage amounts in each of the past three years.

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.

C. Employee Insurance Benefits - The School utilizes Superior Dental, UnitedHealthcare Insurance Company of River Valley and VSP to provide dental, health, life, vision, accidental death and dismemberment insurance benefits to School employees.

COLUMBUS BILINGUAL ACADEMY

Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2012

7. Defined Benefit Pension Plans:

A. School Employees Retirement System

Plan Description - The School contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement, disability, 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. The School Employees Retirement System issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website at www.ohsers.org under Employer/Audit Resources.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the School is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For the fiscal year ended June 30, 2012, the allocation to pension and death benefits is 12.70%. The remaining 1.30% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The School's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$7,036, \$22,366 and \$9,311, respectively. The entire amount has been contributed for fiscal years 2011 and 2010. For fiscal year 2012, the School has contributed 67% of the required amount. The unpaid contribution has been recorded as a liability.

B. State Teachers Retirement System

Plan Description - The School contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. 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 toll-free 1-888-227-7877 or by visiting the STRS Ohio Web site at www.strsoh.org.

Plan Options - New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

COLUMBUS BILINGUAL ACADEMY

Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2012

7. Defined Benefit Pension Plans (Continued):

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit”, the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

COLUMBUS BILINGUAL ACADEMY

Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2012

7. Defined Benefit Pension Plans (Continued):

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2012, were 10% of covered payroll for members and 14% for employers.

The School's required contributions for pension obligations for the fiscal years ended June 30, 2012, 2011, and 2010 were \$64,996, \$90,319, and \$69,753, respectively; 91 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010. The School's unpaid contribution for fiscal year 2012 has been recorded as a liability.

C. Social Security

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System /State Teachers Retirement System. At fiscal year-end, all members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

8. Post-employment Benefits:

A. School Employees Retirement System

Postemployment Benefits – In addition to a cost-sharing multiple-employer defined benefit pension plan the School Employees Retirement System of Ohio (SERS) administers two cost-sharing, multiple employer postemployment benefit plans.

Medicare Part B Plan – The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2012 was \$99.90 for most participants, but could be as high as \$319.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

COLUMBUS BILINGUAL ACADEMY

Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2012

8. Post-employment Benefits(Continued):

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2012, the actuarially required allocation is .75%. The School's required contributions for the years ended June 30, 2012, 2011 and 2010 were \$416, \$1,439 and \$676, respectively. The entire amount has been contributed for fiscal years 2011 and 2010. For fiscal year 2012, the School has contributed 67% of the required amount. The unpaid contribution has been recorded as a liability.

Health Care Plan – ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2012, the health care allocation is .55%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2012, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School's required contributions assigned to health care, including the surcharge, for the years ended June 30, 2012, 2011 and 2010 were \$1,898, \$6,353 and \$5,266, respectively. The entire amount has been contributed for fiscal years 2011 and 2010. For fiscal year 2012, the School has contributed 67% of the required amount. The unpaid contribution has been recorded as a liability

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

COLUMBUS BILINGUAL ACADEMY

Notes to the Basic Financial Statements

For The Fiscal Year Ended June 30, 2012

8. Post-employment Benefits(Continued):

B. State Teachers Retirement System

Plan Description - The School contributes to the cost-sharing, multiple employer postemployment 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 writing 275 E. Broad St., Columbus, OH 43215-3371, by calling 1-888-227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

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 2012, STRS Ohio allocated employer contributions equal to 1% of covered payroll to post-employment health care. The School ’s required contributions for health care for the fiscal years ended June 30, 2012, 2011 and 2010 were \$5,000, \$6,948 and \$6,518 respectively; 91 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

9. Restricted Net Assets:

At June 30, 2012 the School reported restricted net assets totaling \$61,928. The nature of the net asset restrictions are as follows:

Local grants	\$ 1,085
Federal grants	<u>\$ 60,843</u>
Total	<u>\$ 61,928</u>

10. Contingencies – Grants and Student Attendance Data Review

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The School received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. This also encompasses the Auditor of State’s ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the School at June 30, 2012, if applicable, cannot be determined at this time. 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 fiscal year-end.

COLUMBUS BILINGUAL ACADEMY

Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2012

11. Contracted Instruction Development, Operations Administration and Fiscal Services:

The School is a party to a services agreement with Mangen & Associates (M&A) School Resource Center, which is an education services organization. The Agreement may be terminated by either party, with or without cause, by giving the other party ninety days written notice to terminate. The School paid \$235,500 for these services during the fiscal year 2012. The Agreement provides that M&A will perform the following services:

- **Education Program Management**, including oversight of curriculum development, teacher recruitment and selection, teacher professional development oversight, instruction support, program assessment and evaluation, policy development, procedures development, oversight of student discipline, and other functions performed by school principals in Ohio public schools.
- **School Operations Management**, including oversight of facilities, technology, HR, office administration, staff recruitment and selection, staff training, operations oversight and refinement, program assessment and evaluation, policy development, procedure development, and other functions performed by typical school business managers in Ohio public schools.
- **Treasurer Services, Financial Management, EMIS/SOES and CCIP Administration**, including required documents for state and federal governments, basic accounting reports to Director and Board, including financial management support services, ongoing budgeting, accounting, purchasing, financial reporting, cash flow analysis, and resource call support, EMIS/SOES setup, maintenance, oversight, and input of financial data directly into the EMSI and SOES subsystems, and all areas of CCIP application, management, fund retrieval and consolidated application allocation reviews tailored specifically toward CBA's needs.

12. Purchased Services:

During the fiscal year ended June 30, 2012, purchased service expenses for services rendered by various vendors were as follows:

Professional and Technical Services	\$ 138,080
Contractual Fiscal/Operations Services	296,199
Property Services	40,391
Repairs and Maintenance	6,470
Postage	602
Advertising	404
Utilities	35,388
Cleaning Services	20,904
Contracted Food Services	78,558
Other Pupil Transportation	1,202
Instructional Services	8,170
Other Purchased Services	2,090
Total Purchased Services	<u>\$ 628,458</u>

COLUMBUS BILINGUAL ACADEMY

Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2012

13. Operating Leases:

On August 1, 2010, the School entered into a lease agreement with the Catholic Diocese of Columbus for the school building located at 35-41 Midland Avenue, Columbus, Ohio. The lease commenced on August 1, 2011 and continues for a term of one year ending on July 31, 2012. The School agreed to pay \$36,000 during the term in twelve monthly installments of \$3,000. Lease payments made to the Catholic Diocese of Columbus totaled \$36,000 for the fiscal year.

14. Management Plan:

At June 30, 2012, the Academy had a deficit net asset balance of \$188,886. As a result, management has developed the following plan to eliminate the deficit balance.

During fiscal year 2012, the School's unrestricted operating margins improved and the School has remained current on all outstanding payables with the exception of M&A. Although improved, the positive margins have not been adequate to pay off the full amount of the M&A outstanding payables, which as of June 30, 2012, totaled \$334,723. The financial plan will continue to focus on cutting costs within daily operations through process improvements and spending restrictions on items that are not considered a priority to the School's instructional program. The objective during fiscal year 2013 is to use the excess operating margins to pay off a larger portion of the remaining M&A outstanding payables. As of January 31, 2013, the outstanding balance owed to M&A declined to \$306,816 and all other obligations were current.

The School's Board has adopted a balanced budget for the fiscal year ending June 30, 2013 which includes a plan for the payment of M&A outstanding payables noted above. The long-term objective is to build an unencumbered cash reserve equal to three months of core operating expenditures to meet ongoing cash flow requirements without the need for an outside line of credit or any philanthropic contributions.

**COLUMBUS BILINGUAL ACADEMY
FRANKLIN COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2012**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Expenditures
U.S. DEPARTMENT OF AGRICULTURE <i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster			
Cash Assistance:			
Breakfast Program	10.553	\$ 20,952	\$ 20,952
National School Lunch Program	10.555	52,254	52,254
Total Child Nutrition Cluster		<u>73,206</u>	<u>73,206</u>
 Fresh Fruit and Vegetable Program	 10.582	 680	 -
Total U.S. Department of Agriculture		<u>73,886</u>	<u>73,206</u>
U.S. DEPARTMENT OF EDUCATION <i>Passed Through Ohio Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010	92,474	88,626
ARRA - Title I Grants to Local Educational Agencies	84.389	-	3,404
		<u>92,474</u>	<u>92,030</u>
 Special Education Grants to States	 84.027	 31,990	 32,576
 21st Century Grant	 84.287	 133,245	 86,782
 Limited English Proficient	 84.365	 20,611	 19,139
 Improving Teacher Quality State Grants	 84.367	 1,407	 1,222
 ARRA - School Improvements Grants	 84.388	 217,677	 253,778
 ARRA - Race to the Top	 84.395	 13,300	 12,900
 Education Jobs Fund	 84.410	 34,200	 34,200
Total U.S. Department of Education		<u>544,904</u>	<u>532,627</u>
Total		<u>\$ 618,790</u>	<u>\$ 605,833</u>

The accompanying notes are an integral part of this schedule.

**COLUMBUS BILINGUAL ACADEMY
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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



Dave Yost • Auditor of State

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

Columbus Bilingual Academy
Franklin County
35 Midland Avenue
Columbus, Ohio 43223

To the Board of Directors:

We have audited the basic financial statements of the Columbus Bilingual Academy, Franklin County, Ohio, (the School) as of and for the year ended June 30, 2012, and have issued our report thereon dated February 4, 2013, wherein we noted the School experienced certain financial difficulties. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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, the audit committee, Board of Directors, the Community School's sponsor (Richland Academy), and federal awarding agencies and pass-through entities, and others within the School. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

February 4, 2013



Dave Yost • Auditor of State

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

Columbus Bilingual Academy
Franklin County
35 Midland Avenue
Columbus, Ohio 43223

To the Board of Directors:

Compliance

We have audited the compliance of Columbus Bilingual Academy, Franklin County, Ohio, (the School) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Columbus Bilingual Academy's major federal program for the year ended June 30, 2012. The *summary of auditor's results* section of the accompanying schedule of findings identifies the School's major federal program. The School's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the School's compliance based on our audit.

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

In our opinion, the Columbus Bilingual Academy, Franklin County, Ohio complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

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



Dave Yost
Auditor of State

February 4, 2013

**COLUMBUS BILINGUAL ACADEMY
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA - 84.388 ARRA - School Improvements Grant
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Columbus Bilingual Academy
Franklin County
35 Midland Avenue
Columbus, Ohio 43223

To the Board of Directors:

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

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

1. We noted the Board amended its anti-harassment policy at its meeting on May 21, 2012 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

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

Dave Yost
Auditor of State

February 4, 2013

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Dave Yost • Auditor of State

COLUMBUS BILINGUAL 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 19, 2013**