COLUMBUS BILINGUAL ACADEMY NORTH
FRANKLIN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2013

Dave Yost • Auditor of State

COLUMBUS BILINGUAL ACADEMY NORTH
FRANKLIN COUNTY

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Columbus Bilingual Academy North
Franklin County
3360 Kohr Blvd.
Columbus, Ohio 43224

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of Columbus Bilingual Academy North, Franklin County, Ohio (the School), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Columbus Bilingual Academy North, Franklin County, Ohio, as of June 30, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 15 to the financial statements, the School has suffered recurring losses from operations and has a net position deficiency. Note 15 describes Management's plans regarding these matters. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. This matter does not affect our opinion on these financial statements.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

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

The schedule is management's responsibility, and derives from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2014, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Dave Yost
Auditor of State
Columbus, Ohio

March 13, 2014

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As management of the Columbus Bilingual Academy North (the School), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2013. 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.

Financial Highlights

Key financial highlights for the School are as follows:

- Total net position of the School increased $141,096 in fiscal year 2013. Ending net position of the School was negative $74,788, compared to negative $215,884 at June 30, 2012.

- Total assets decreased by $120,634 and total liabilities decreased by $261,730 from the prior fiscal year.

- The School's operating loss for fiscal year 2013 was $231,306, compared with an operating loss of $223,180 reported for the prior fiscal year.

Using this Annual 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 position, statement of revenues, expenses and changes in net position, 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 presentation information is the same.

Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position

The statement of net position and the statement of revenues, expenses and changes in net position answer the question, "How did we do financially during the fiscal year?" The statement of net position 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 measurement focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

This statement reports the School's net position; 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.

The statement of revenues, expenses and changes in net position reports the changes in net position. This change in net position is important because it tells the reader that, for the School as a whole, the financial position of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

Financial Analysis

Table 1 provides a summary of the School's net position at June 30, 2013 compared to the prior fiscal year.

Table 1
Net Position at Year End

	2013	2012
Assets:		
Current and Other Assets	$ 83,814	$ 208,120
Capital Assets, Net	57,897	54,225
Total Assets	141,711	262,345
Liabilities:		
Current Liabilities	91,499	243,229
Noncurrent Liabilities	125,000	235,000
Total Liabilities	216,499	478,229
Net Position:		
Net Investment in Capital Assets	57,897	54,225
Restricted	22,913	136,795
Unrestricted	(155,598)	(406,904)
Total Net Position	$ (74,788)	$ (215,884)

Current and Other Assets and Restricted Net Position both decreased significantly in comparison with the prior fiscal year. These decreases are primarily the result of a decrease in intergovernmental receivable due to the School not be awarded Public Charter School Grant funds in fiscal year 2013, as it was in fiscal year 2012.

Total Liabilities decreased significantly in comparison with the prior fiscal year. This decrease is the result decreases in accounts payable and loans payable. The School was able to make payments on these liabilities as a result increased enrollment, which improved cash flows.

The total net position reported for fiscal year 2013 increased by $141,096 to negative $74,788. The information on the following page demonstrates the details of the improvement in the School's deficit reduction.

Financial Analysis

Table 2 shows the change in net position for the fiscal year ended June 30, 2013 compared to the prior fiscal year.

Table 2
Changes in Net Position

	2013	2012
Operating Revenues:		
Foundation Revenues	$ 951,916	$ 644,606
Other Unrestricted Grants-In-Aid	3,452	-
Total Operating Revenues	955,368	644,606
Operating Expenses:		
Salaries and Wages	452,373	300,984
Fringe Benefits	108,912	114,364
Purchased Services	439,357	336,743
Materials and Supplies	149,415	83,729
Depreciation	33,381	27,411
Other	3,236	4,555
Total Operating Expenses	1,186,674	867,786
Operating Loss	(231,306)	(223,180)
Nonoperating Revenues (Expenses)		
State and Federal Grants	370,600	325,703
Other Non-Operating Revenue	1,749	-
Donations and Contributions	53	-
Total Nonoperating Revenues (Expenses)	372,402	325,703
Change in Net Position	141,096	102,523
Net Position, Beginning of Year	(215,884)	(318,407)
Net Position, End of the Year	$ (74,788)	$ (215,884)

All revenues (operating and non-operating) and expenses increased significantly in comparison with the prior fiscal year. These increased are the result of increased enrollment from 86 to 136 students.

Capital Assets

At fiscal year-end, the School's net capital asset balance was $57,897, an increase of $3,672 in comparison with the prior fiscal year. This increase represents current year additions of $37,053 less current year depreciation of $33,381. For more information on capital assets, see Note 5 to the basic financial statements.

Debt

At fiscal year-end, the School's note payable balance was $125,000. The School made principle repayments of $110,000 during fiscal year 2013. For more information on this loan, see Note 12 to the basic financial statements.

Current Financial Issues

The outcome of the School moving operations to a new facility has been a stronger connection with the local community, better facilities for students and a significant increase in student enrollment for the 2012-2013 school year. The financial health of the School is expected to continue to improve.

The School depends upon legislative and governmental support to fund its operations. Based upon information currently available, the per student funding is expected to remain flat for the foreseeable future. This will continue to put pressure on management to improve performance while reducing the cost of ongoing operations.

Contacting the School

This financial report is designed to provide a general overview of the finances of the Columbus Bilingual Academy North and to show the School's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to the Treasurer of Columbus Bilingual Academy North, 3360 Kohr Blvd., Columbus, Ohio 43224.

COLUMBUS BILINGUAL ACADEMY NORTH
FRANKLIN COUNTY

STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

Assets:		
Current Assets		
Cash and Cash Equivalents	$	39,336
Intergovernmental Receivables		31,092
Accounts Receivable		1,799
Deposit Held by Others		5,650
Prepaid Items		5,937
Total Current Assets		83,814
Noncurrent Assets		
Capital Assets, Net of Accumulated Depreciation		57,897
Total Noncurrent Assets		57,897
Total Assets	$	141,711
Liabilities:		
Current Liabilities		
Accounts Payable	$	29,090
Accrued Wages Payable		43,873
Intergovernmental Payable		18,536
Total Current Liabilities		91,499
Noncurrent Liabilities		
Note Payable		125,000
Total Noncurrent Liabilities		125,000
Total Liabilities		216,499
Net Position:		
Net Investment in Capital Assets		57,897
Restricted		22,913
Unrestricted		(155,598)
Total Net Position		(74,788)
Total Liabilities and Net Position	$	141,711

See accompanying notes to the basic financial statements.

COLUMBUS BILINGUAL ACADEMY NORTH
FRANKLIN COUNTY

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Operating Revenues:		
Foundation Payments	$	951,916
Other Unrestricted Grants-In-Aid		3,452
Total Operating Revenues		955,368
Operating Expenses:		
Salaries & Wages		452,373
Fringe Benefits		108,912
Purchased Services		439,357
Materials and Supplies		149,415
Depreciation		33,381
Other		3,236
Total Operating Expenses		1,186,674
Operating Loss		(231,306)
Non-Operating Revenues (Expenses):		
State and Federal Grants		370,600
Other		1,749
Donations and Contributions		53
Total Non-Operating Revenues (Expenses)		372,402
Change in Net Position		141,096
Net Position Beginning of Year		(215,884)
Net Position End of Year	$	(74,788)

See accompanying notes to the basic financial statements.

COLUMBUS BILINGUAL ACADEMY NORTH
FRANKLIN COUNTY

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Cash Flows from Operating Activities:		
Cash Received from State of Ohio	$	955,368
Cash Payments to Employees for Services and Benefits		(540,693)
Cash Payments to Suppliers for Goods and Services		(765,436)
Cash Payments for Other Operating Expenses		(3,236)
Net Cash Used for Operating Activities		(353,997)
Cash Flows from Noncapital Financing Activities		
Cash received for State and Federal Grants		523,486
Cash received from Contributions and Donations		3
Cash Payments for Loan Principal		(110,000)
Net Cash from Noncapital Financing Activities		413,489
Cash Flows from Capital and Related Financing Activities:		
Payments for Capital Acquisitions		(37,053)
Net Cash Used for Capital and Related Financing Activities		(37,053)
Net Increase (Decrease) in Cash and Cash Equivalents		22,439
Cash and Cash Equivalents at Beginning of Year		16,897
Cash and Cash Equivalents at End of Year	$	39,336
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating Loss	$	(231,306)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Depreciation		33,381
Changes in Assets and Liabilities:		
Intergovernmental Receivable		1,595
Prepaid Items		(5,937)
Accounts Payable		(171,580)
Accrued Wages		14,890
Intergovernmental Payable		4,960
Net Cash Used for Operating Activities	$	(353,997)

See accompanying notes to the basic financial statements.

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1. Description of the School and Reporting Entity:

Columbus Bilingual Academy North (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 fiscal year, Mangen & Associates School Resource Center. Douglas Mangen served as the Certified Treasurer during the entire fiscal period. The Richland Academy was the School's sponsor during the fiscal year. 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 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 4 non-certified and 21 certificated full time teaching personnel who provide services to 136 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 10.

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 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.

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 deferred outflows of resources and all liabilities and deferred inflows of resources are included on the statement of net position. The difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is defined as net position. The statement of revenues, expenses and changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

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

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

C. Budgetary Process

Unlike other public schools located in the state of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Rev. Code 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:

Description	Estimate Life
Furniture and Equipment	3-5 years
Land Improvement	10 years

2. Summary of Significant Accounting Policies (Continued):

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. In addition, the State distributes among all public schools, a percentage of proceeds received from the tax on gross casino revenue, to be used to support primary and secondary education. Foundation funding and casino revenues are both 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 and Other Unrestricted Grants-In-Aid distributed from the State's proceeds of the tax on gross casino revenue. Operating expenses are necessary costs incurred to support the School's primary mission, including salaries, benefits, purchased services, materials and supplies, depreciation and other.

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 and expense, if any, and contributions comprise the non-operating revenues and expenses of the School.

I. Accrued Liabilities Payable

The School has recognized certain liabilities on its statement of net position 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 2013 contract.

Accounts payable – payments due for services or goods that were rendered or received during fiscal year 2013.

Intergovernmental payable - payments made after year-end for the Schools' share of retirement contributions, Medicare and Workers' Compensation associated with services rendered during the fiscal year.

2. Summary of Significant Accounting Policies (Continued):

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School did not have any deferred outflows of resources at fiscal year-end.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School did not have any deferred inflows of resources at fiscal year-end.

K. Net Position

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

L. 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, 2013, the carrying amount of the School's deposits was $39,336 and the bank balance was $89,984. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2013, the School's bank balance was not exposed to risk as it was covered by the Federal Deposit Insurance Corporation.

In addition, at fiscal year-end, the School had $5,650 in Deposits Held by Others. This amount represents a security deposit on a leased buildings.

4. Intergovernmental Receivables:

All intergovernmental receivables are considered collectible in full due to the stable condition of State programs. A summary of the principal items of intergovernmental receivables at June 30, 2013 is as follows:

	Amount
Federal Grants	$ 29,989
Pension Overpayments	1,103
Total	$ 31,092

5. Capital Assets:

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

Capital Assets:	**Beginning Balance**	**Additions**	**Deletions**	**Ending Balance**
Furniture and Equipment	85,346	37,053	-	122,399
Land Improvements	9,995	-	-	9,995
Total Capital Assets	95,341	37,053	-	132,394
Less Accumulated Depreciation:				
Furniture and Equipment	(39,616)	(32,381)	-	(71,997)
Land Improvements	(1,500)	(1,000)	-	(2,500)
Total Accumulated Depreciation	(41,116)	(33,381)	-	(74,497)
Capital Assets, Net	$ 54,225	$ 3,672	$ -	$ 57,897

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, 2013, the School contracted with GUA, Inc. for its insurance coverage as follows:

Commercial Property – Personal Property	$100,000
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)	$300,000
Commercial Excess (aggregate)	$1,000,000

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, UHC and VSP to provide dental, health, life, vision, accidental death and dismemberment insurance benefits to School employees.

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 and disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. 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.

7. Defined Benefit Pension Plans (Continued):

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 fiscal year ending June 30, 2013, the allocation to pension and death benefits is 13.1%. The remaining 0.90% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's contributions for pension obligations to SERS for the fiscal year ended June 30, 2013, 2012 and 2011 were $6,811, $8,755, and $2,640, respectively. The entire amount was contributed for fiscal years 2011, 2012, and 2013

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.

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.

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, 2013, 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, 2013, 2012, and 2011 were $49,372, $30,166, and $80,957, respectively. The entire amount has been contributed for fiscal years 2011 and 2012. For fiscal year 2013, the school has contributed 69% of the required amount. The unpaid contribution 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.

8. Post-employment Benefits (continued):

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 2013 was $104.90 for most participants, but could be as high as $335.70 per month depending on their income. SERS' reimbursement to retirees was $45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2013, the actuarially required allocation is .74%. The School's contributions for the years ended June 30, 2013, 2012 and 2011 were $385, $517 and $170, respectively. The entire amount has been contributed for fiscal years 2011, 2012, and 2013.

Health Care Plan – ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including 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, 2013, the health care allocation is .16%. 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. State law provides 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 2013, the minimum compensation level was established at $20,525. 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 contributions assigned to health care, including the surcharge, for the fiscal years ended June 30, 2013, 2012, and 2011 were $83, $1,693, and $767, respectively. The entire amount has been contributed for fiscal years 2011, 2012, and 2013.

8. Post-employment Benefits (continued):

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.

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 2013, 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, 2013, 2012, and 2011 were $3,798, $2,320, and $6,227, respectively. The entire amount has been contributed for fiscal years 2011 and 2012. For fiscal year 2013, the school has contributed 69% of the required amount. The unpaid contribution has been recorded as a liability.

9. Contingencies:

A. Grants Review - 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. The effect of any such disallowed claims on the overall financial position of the School at June 30, 2013, if applicable, cannot be determined at this time.

B. Full-Time Equivalency Reviews - The Ohio Department of Education reviews enrollment and full-time equivalency (FTE) calculations made by the School. These reviews are conducted to ensure the School is reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. There has been a review for the 2012-2013 school year; however, the conclusion of this review did not have a material effect on the financial statements.

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

The School is a party to a fiscal 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 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 EMIS and SOES subsystems, and all areas of CCIP application, management, fund retrieval and consolidated application allocation reviews tailored specifically toward the School's needs.

Total payments to M&A for these services during the fiscal year was $366,968. These payments were for services provided in fiscal year 2012 and 2013. In addition, at June 30, 2013, $14,751 was still payable to M&A for these services.

11. Purchased Services:

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

Instructional Services	$ 366
Management Services	43,922
Professional/Legal Services	512
Other Professional and Technical Services	240,710
Repairs and Maintenance	1,693
Rentals	64,706
Travel and Meeting	1,058
Utilities	6,246
Advertising	288
Contracted Food Services	78,756
Transportation	1,100
Total Purchased Services	$ 439,357

12. Debt Obligations:

During fiscal year 2011, the School borrowed $335,000 from Mangen & Associates for operating expenses. The School repaid $100,000 during fiscal year 2011 and repaid $110,000 during fiscal year 2013, leaving a balance of $125,000 as of fiscal year-end. This loan is a no-interest loan with no minimum payment requirements.

13. Operating Leases:

On July 1, 2011, the School entered into a new lease agreement with NCBC Human Services Corporation for the Focus Center, which includes classroom facilities, cafeteria, multi-purpose space (gymnasium and auditorium), administrative offices, playing fields, and parking located at 3360-3400 Kohr Boulevard in Columbus, Ohio. The initial term of the lease commenced on August 1, 2011 and is scheduled to expire July, 31, 2012. The lease automatically renews for successive one year terms, unless terminated by either party. Monthly rent of $5,650 was increased to $5,934, effective January 2013. Lease payments made to NCBC Human Services Corporation totaled $76,290 for the fiscal year ending June 30, 2013.

14. Restricted Net Position:

At fiscal year-end, the School reported restricted net position totaling $22,913. This balance represents net position restricted for federal grant programs.

15. Management Plan:

At June 30, 2013, the Academy had a deficit net balance of $74,788. As a result, management has developed the following plan to eliminate the deficit balance.

During fiscal year 2013, the School's unrestricted operating margins improved and the School has remained current on all loans and outstanding payables with the exception of Mangen & Associates. Although improved, the positive margins were not adequate to pay off the full amount owed to Mangen & Associates in fiscal year 2013, which as of June 30, 2013, totaled $139,751. The financial plan will continue to focus on cutting costs within daily operations through process improvements and spending restrictions after the School's instruction program requirements are met. The objective during fiscal year 2014 is to use the excess operating margins to pay off the remaining amount owed to Mangen & Associates. As of January 31, 2014, the outstanding balance owed to M&A declined to $30,665 and all other obligations are current.

The School's Board has adopted a balanced budget for the fiscal year ending June 30, 2014 which includes a plan for continued payments toward the Mangen & Associates outstanding balance 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.

16. Change in Accounting Principle:

For fiscal year 2013, the School has implemented the following:

GASB Statement No. 61 "The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34" improves financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The implementation of this statement did not have a significant effect on the financial statements of the School.

GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" incorporates certain accounting and financial reporting guidance issued on or before November 30, 1989, into the GASB's authoritative literature that do not conflict with or contradict GASB pronouncements. The implementation of this statement did not have a significant effect on the financial statements of the School.

GASB Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the School's fiscal year 2013 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities" establishes financial accounting and reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as asset and liabilities. This change was incorporated in the School's fiscal year 2013 financial statements; however, there was no effect on beginning net position.

COLUMBUS BILINGUAL ACADEMY NORTH
FRANKLIN COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANTOR ***Pass Through Grantor*** Program Title	Federal CFDA Number	Receipts	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster			
Cash Assistance:			
Breakfast Program	10.553	$ 34,928	$ 34,928
National School Lunch Program	10.555	66,258	66,258
Total Child Nutrition Cluster		101,186	101,186
Fruit and Vegetable Program	10.582	4,275	4,275
Total U.S. Department of Agriculture		**105,461**	**105,461**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education:			
Title I Grants to Local Educational Agencies	84.010	216,011	215,964
Special Education Grants to States	84.027	24,239	27,989
Safe and Drug Free Grant	84.186	-	2,201
Charter Schools Grant	84.282	172,311	164,412
Limited English Proficient	84.365	2,923	2,923
Improving Teacher Quality	84.367	838	838
ARRA - Race to the Top	84.395	350	350
Total U.S. Department of Education		**416,672**	**414,677**
Total		**$ 522,133**	**$ 520,138**

The accompanying notes are an integral part of this schedule.

COLUMBUS BILINGUAL ACADEMY NORTH
FRANKLIN COUNTY

NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Columbus Bilingual Academy North'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.

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

Columbus Bilingual Academy North
Franklin County
3360 Kohr Blvd.
Columbus, Ohio 43224

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Columbus Bilingual Academy North, Franklin County, Ohio, (the School) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated March 13, 2014, wherein we noted the School experienced certain financial difficulties.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

March 13, 2014

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

Columbus Bilingual Academy North
Franklin County
3360 Kohr Blvd.
Columbus, Ohio 43224

To the Board of Directors:

Report on Compliance for Each Major Federal Program

We have audited the Columbus Bilingual Academy North, Franklin County, Ohio's (the School) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Columbus Bilingual Academy North's major federal programs for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the School's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the School's compliance for each of the School's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Columbus Bilingual Academy North complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance**.**

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

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

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

March 13, 2014

COLUMBUS BILINGUAL ACADEMY NORTH
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2013

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

Columbus Bilingual Academy North
Franklin County
3360 Kohr Blvd
Columbus, Ohio 43224

To the Board of Education:

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 Columbus Bilingual Academy North (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 School did not amend its anti-harassment policy to include prohibiting harassment, or bullying of any student "on a school bus".

   Ohio Rev. Code Section 3313.666 required the School to amend its policy by November 4, 2012.

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.

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

March 13, 2014

88 East Broad Street, Tenth Floor, Columbus, Ohio 43215-3506
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COLUMBUS BILINGUAL ACADEMY NORTH

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
APRIL 1, 2014

88 East Broad Street, Fourth Floor, Columbus, Ohio 43215-3506
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