



INDEPENDENT AUDITOR'S REPORT

PHOENIX COMMUNITY LEARNING CENTER

HAMILTON COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2015



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Phoenix Community Learning Center, Hamilton County, prepared by Richardson & Associates, LLC, for the audit period July 1, 2014 through June 30, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

February 16, 2016

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PHOENIX COMMUNITY LEARNING CENTER

HAMILTON COUNTY

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8044 Montgomery Rd. Suite 700| Cincinnati, Ohio 45236

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Phoenix Community Learning Center, Hamilton County, Ohio (the School), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Independent Auditor's Report
For the Year Ended June 30, 2015
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Phoenix Community Learning Center, Hamilton County, Ohio, as of June 30, 2015, and the respective changes in financial position and its cash flows thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2015, the School adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. . We did not modify our opinion regarding this matter.

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*, and *Schedules of the School's proportionate share of the net pension liability – School Employees Retirement System of Ohio and State Teachers Retirement System of Ohio*, and *Schedules of School contributions - School Employees Retirement System of Ohio and State Teachers Retirement System of Ohio*, 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.



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

Richardson & Associates, LLC
Richardson and Associates, LLC
Cincinnati, Ohio
December 23, 2015

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**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO**

Management Discussion and Analysis

June 30, 2015

Unaudited

The discussion and analysis of Phoenix Community Learning Center's (the PCLC) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the PCLC's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the PCLC's financial performance.

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

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- The assets of the PCLC exceeded its liabilities (less net pension liability and related deferred outflows/inflows) at year-end by \$493,361.
- The PCLC implemented GASB 68, which resulted in the overall net position being (\$2,812,242). The PCLC is required to report a net pension liability of \$2,999,803, which is one of the components that significantly reduces the PCLC net position. Please see detailed discussion, starting on page 6.
- In total, net position decreased by \$111,041.
- Total liabilities (excluding net pension liability) decreased by \$69,201 as the PCLC continued to pay down the SELF loan that was used to acquire and renovate the new facility and balances on the leases.
- The Center provides service to 346 (FTE) students.

Using This Financial Report

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

PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO
Management Discussion and Analysis
June 30, 2015
Unaudited

Statement of Net Position

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

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

The following table presents a condensed summary of the PCLC’s overall financial position at June 30, 2015 and June 30, 2014.

	2015	Restated 2014
Current and other assets	\$566,033	\$697,037
Capital assets	3,480,970	3,593,646
Total assets	<u>4,047,003</u>	<u>4,290,683</u>
Deferred Outflows of Resources	<u>249,990</u>	198,434
Current liabilities	3,553,642	387,619
Long term liabilities		
Net Pension Liability	2,999,803	3,567,475
Other Long term liabilities	0	3,235,224
Total liabilities	<u>6,553,445</u>	<u>7,190,318</u>
Deferred Inflows of Resources	<u>555,790</u>	0
Net position:		
Net investment in capital assets	247,920	251,625
Restricted	0	549
Unrestricted	(3,060,162)	(2,952,277)
Total net position	<u>(\$2,812,242)</u>	<u>(\$2,701,201)</u>

PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO
Management Discussion and Analysis
June 30, 2015
Unaudited

During 2015, the PCLC adopted GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27,” which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the PCLC’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio’s statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the PCLC’s proportionate share of each plan’s collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees’ past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the PCLC is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO
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June 30, 2015
Unaudited

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the PCLC's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the PCLC is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$667,840 to (\$2,701,201).

The decrease for assets resulted from the PCLC having \$121,306 less in intergovernmental receivables as the fiscal year 2015 grants were collected more in June this year. Also contributing to the decrease in assets was the reduction for current year depreciation exceeding the additions.

The total liabilities, excluding net pension liability, decreased \$69,201 as the PCLC continued to pay down the loan on the building.

PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO
Management Discussion and Analysis
June 30, 2015
Unaudited

Statement of Revenues, Expenses, and Changes in Net Position

The following table represents a condensed summary of the PCLC's activities for the years ended June 30, 2015 and 2014.

	2015	2014
Revenues:		
Operating revenues:		
State Foundation	\$2,467,570	\$2,719,669
Tuition and Fees	2,308	4,583
Charges for services	926	1,051
Other operating revenues	968	2,945
Non-operating revenues:		
Federal grants	585,660	734,621
State grants	5,271	5,857
Total revenues	3,062,703	3,468,726
Expenses:		
Operating expenses:		
Salaries and wages	1,359,248	1,429,037
Fringe benefits	388,446	376,786
Purchased services:		
Professional and technical services	349,711	331,054
Property services	130,960	128,602
Communications	34,302	42,242
Utilities	64,777	65,409
Food Service	266,840	286,288
Other	889	0
Materials and supplies	194,045	88,974
Depreciation	128,216	152,026
Other expenses	35,904	5,806
Non-operating expenses:		
Interest and fiscal charges	220,406	229,652
Total expenses	3,173,744	3,135,876
Change in net position	(111,041)	332,850
Ending Net position	(\$2,812,242)	(\$2,701,201)

**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO**

Management Discussion and Analysis

June 30, 2015

Unaudited

Revenues decreased almost 12% as the PCLC received less foundation revenue as the FTE counts decreased which also decreased grant funding based on fewer qualifying students. Overall the PCLC's expenses were relatively unchanged. The personnel costs did decrease about 5% with fewer students but this was offset by the 118% increase in materials and supplies expenses.

Expenses for 2015 reflect the removal of \$201,151 in contractually required pension contributions but added in \$137,713 of allocated pension expense from the two retirement systems plus the current year amortization for the difference between actual and expected contributions.

Capital Assets

At June 30, 2015, the PCLC had \$3,480,970 invested in a broad range of capital assets, including land, construction in progress, buildings, furniture, and equipment.

Capital Assets at Year-End (Net of Depreciation)

	2015	2014
Land	\$287,700	\$287,700
Buildings	3,154,984	3,247,787
Equipment and furniture	38,286	58,159
Total	<u>\$3,480,970</u>	<u>\$3,593,646</u>

The PCLC only had \$15,540 of additions for the current year but the current year depreciation was \$128,216 resulting in a lower ending balances. See Note 5 of the notes to the basic financial statements for more detailed information on the PCLC's capital assets.

Debt Administration

The PCLC entering into a loan agreement with Self Help Ventures Fund for \$3,627,252 of long term loans payable during 2009. The loan will be paid back through operating revenues and matures in fiscal year 2016. The loan carries an annual interest rate of 6.51%. The PCLC retired \$80,644 on the obligation during the fiscal year. The PCLC is reporting capital lease payable of \$12,600 for the current year as well. See notes 14 and 15 to the basic financial statements for more detailed information on the PCLC's short and long-term debt.

PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO
Management Discussion and Analysis
June 30, 2015
Unaudited

For the Future

The PCLC continues to position itself for providing a healthy environment for the students it serves. Over the past several years since moving into the new facility, the PCLC has seen the full time equivalent student increase each year. With the new October counts, fiscal year 2016 has continued at 380 funded students which should allow the PCLC to continue to operate with a positive margin.

Contacting the PCLC

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

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

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

JUNE 30, 2015

Assets:

Current assets:

Cash	\$ 523,368
Intergovernmental receivable	42,665
Total current assets	<u>566,033</u>

Noncurrent assets:

Non depreciable capital assets	287,700
Depreciable capital assets, net	3,193,270
Total noncurrent assets	<u>3,480,970</u>

Total Assets 4,047,003

Deferred Outflows of Resources:

Pension	<u>249,990</u>
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Total Deferred Outflows of Resources: 249,990

Liabilities:

Current liabilities

Accounts payable	38,419
Accrued wages and benefits	201,884
Intergovernmental payable	80,289
Amount due within one year:	
Capital lease payable	12,600
Loan payable	3,220,450
Total current liabilities	<u>3,553,642</u>

Long term liabilities

Net Pension Liability	<u>2,999,803</u>
Total long term liabilities	<u>2,999,803</u>

Total Liabilities 6,553,445

Deferred Inflows of Resources:

Pension	<u>555,790</u>
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Total Deferred Inflows of Resources: 555,790

Net Position:

Net investment in capital assets	247,920
Unrestricted	<u>(3,060,162)</u>

Total Net Position \$ (2,812,242)

See accompanying notes to the basic financial statements

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

Year Ended June 30, 2015

Operating Revenues:	
State foundation	\$ 2,467,570
Tuition and Fees	2,308
Charges for services	926
Other operating revenues	<u>968</u>
Total operating revenues	<u>2,471,772</u>
Operating Expenses:	
Salaries and wages	1,359,248
Fringe benefits	388,446
Purchased Services:	
Professional and tehcnical services	349,711
Property services	130,960
Communications	34,302
Utilities	64,777
Food services	266,840
Other	889
Materials and supplies	194,045
Depreciation	128,216
Other expenses	<u>35,904</u>
Total operating expenses	<u>2,953,338</u>
Operating Loss	(481,566)
Nonoperating revenues (expenses):	
Interest and fiscal charges	(220,406)
Federal grants	585,660
State grants	<u>5,271</u>
Total nonoperating revenues (expenses)	<u>370,525</u>
Change in net position	(111,041)
Net position, beginning of year (restated)	<u>(2,701,201)</u>
Net position, end of year	<u><u>\$ (2,812,242)</u></u>

See accompanying notes to the basic financial statements

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

Year Ended June 30, 2015

Cash flows from operating activities:

Cash received from State of Ohio - Foundation	\$ 2,485,386
Cash received from customers	926
Cash received from other operating revenues	5,001
Cash payments for personal services	(1,768,313)
Cash payments for contract services	(844,089)
Cash payments for supplies and materials	(192,793)
Cash payments for other expenses	(35,904)
Net cash used for operating activities	<u>(349,786)</u>

Cash flows from noncapital financing activities:

Cash received from state and federal grants	<u>686,730</u>
Net cash provided by noncapital financing activities	<u>686,730</u>

Cash flows from capital and related financing activities:

Acquisition of capital assets	(15,540)
Principal paid on captial lease payable	(28,327)
Interest paid on capital lease payable	(4,671)
Principal paid on loan payable	(80,644)
Interest paid on loan payable	(215,735)
Net cash used for capital and related financing activities	<u>(344,917)</u>

Net change in cash and cash equivalents	(7,973)
Cash and cash equivalents at beginning of year	<u>531,341</u>
Cash and cash equivalents at end of year	<u><u>523,368</u></u>

Reconciliation of operating loss to net cash used for operating activities:

Operating loss	(481,566)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	128,216
Change in assets and liabilities:	
Accounts receivable	1,725
Net Pension Liability	25,507
Accounts payable	(63,438)
Accrued wages and benefits	(9,540)
Intergovernmental payable	2,327
	<u>46,983</u>

Net cash used for operating activities	<u><u>\$ (349,786)</u></u>
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See accompanying notes to the basic financial statements

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**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO**

Notes to the Basic Financial Statements

June 30, 2015

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

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

The PCLC was approved for operation under a Community School Contract (Contract) with the Ohio State Board of Education (Sponsor) for a period of five years commencing July 1, 2001. Effective July 1, 2005, the Fordham Foundation took over sponsorship of the PCLC under a five year agreement. The agreement was originally amended for a one year period until June 30, 2011. Currently, the Fordham Foundation and the PLCL are operating under a two year amendment (fifth) to the original agreement that will expire on June 30, 2016. The PCLC began operations on July 1, 2001. The Sponsor is responsible for evaluating the PCLC's performance and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The PCLC operates under a self-appointing, multi-member Board of Directors (the Board) consisting of five (5) members. Exhibit III of the PCLC's Community School Contract, specifies that vacancies arising on the Board may be filled by the appointment of successors by a majority of the then existing directors. The Board is responsible for carrying out the provisions of the Contract with the Sponsor which includes, but is not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The PCLC has one instructional/support facility staffed by 31 personnel, which provides services to approximately 346 students. Mr. Luther Brown and Dr. Glenda Brown are the founders of the PCLC. Mr. Luther Brown, Board Chairman, is the husband of Dr. Glenda Brown, Superintendent.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO**

Notes to the Basic Financial Statements

June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION

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

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

C. BUDGETARY PROCESS

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

D. CASH

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

PHOENIX COMMUNITY LEARNING CENTER

HAMILTON COUNTY, OHIO

Notes to the Basic Financial Statements

June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. CAPITAL ASSETS AND DEPRECIATION

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

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

F. INTERGOVERNMENTAL REVENUES

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

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

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

G. ESTIMATES

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. NET POSITION

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

I. LONG TERM OBLIGATIONS

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

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. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the PCLC, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 8.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the PCLC, deferred inflows of resources include pension. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 8)

K. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

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3. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For fiscal year 2015, the PCLC implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

Net position June 30, 2014	\$667,840
Adjustments:	
Net Pension Liability	(3,567,475)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>198,434</u>
Restated Net Position June 30, 2014	<u><u>(\$2,701,201)</u></u>

Other than employer contributions subsequent to the measurement date, the PCLC made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

4. DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the PCLC's deposits may not be returned to it. The PCLC's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pooled collateral. At June 30, 2015, the PCLC had a carrying value of \$523,368. The bank balance was \$529,292 with \$250,000 of the balance being covered through the Federal Depository Insurance Corporation (FDIC) and \$279,292 classified as uninsured for FDIC purposes but covered with pooled collateral through the bank.

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5. INTERGOVERNMENTAL RECEIVABLES

Intergovernmental Receivables at June 30, 2015, consisted of intergovernmental grants. All intergovernmental receivables are considered collectible in full given the stable condition of State programs and the current fiscal year guarantee of federal funds. The principle items of intergovernmental receivables as of June 30, 2015 are as follows:

Intergovernmental Receivable	Amount
Federal Food Subsidy	\$29,960
Title VI-B Grant	12,705
Total	\$42,665

6. CAPITAL ASSETS

A summary of the capital assets as of June 30, 2015 is as follows:

	Balance 7/1/14	Additions	Disposals	Balance 6/30/15
Non-depreciable assets:				
Land	\$287,700	\$0	\$0	\$287,700
Depreciable assets:				
Buildings	3,711,802	0	0	3,711,802
Equipment and furniture	538,685	15,540	0	554,225
Total depreciable assets	4,250,487	15,540	0	4,266,027
Less accumulated depreciation:				
Buildings	(464,015)	(92,803)	0	(556,818)
Equipment and furniture	(480,526)	(35,413)	0	(515,939)
Total accumulated depreciation	(944,541)	(128,216)	0	(1,072,757)
Capital assets, net	\$3,593,646	(\$112,676)	\$0	\$3,480,970

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7. RISK MANAGEMENT

A. Property Liability

The PCLC is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2015, the PCLC contracted with Great American Insurance Group for personal business property and general liability insurance. The policy's building insurance limit is \$5,200,000, general aggregate each occurrence limit is \$3,000,000 with \$500,000 for personal business and a \$1,000 deductible. The PCLC has non-profit directors and officer's liability insurance (D&O) and employment practices liability (EP) through United States Liability Insurance Company with a \$1,000,000 (both) and \$2,500 deductible for D&O and \$5,000 deductible for EP. The PCLC also has an employee dishonesty bond of \$50,000 through Caldwell Insurance. Liberty Mutual Insurance provides a Treasurer surety bond of \$25,000. There has been no reduction in coverage from the prior year and settled claims have not exceeded PCLC's coverage in any of the past three years.

B. Workers' Compensation

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

8. DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the PCLC's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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8. DEFINED BENEFIT PENSION PLANS (continued)

Ohio Revised Code limits the PCLC’s obligation for this liability to annually required payments. The PCLC cannot control benefit terms or the manner in which pensions are financed; however, the PCLC does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description – PCLC non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

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8. DEFINED BENEFIT PENSION PLANS (continued)

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the PCLC is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The PCLC's contractually required contribution to SERS was \$48,580 for fiscal year 2015. Of this amount \$9,684 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – PCLC licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

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8. DEFINED BENEFIT PENSION PLANS (continued)

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

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8. DEFINED BENEFIT PENSION PLANS (continued)

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The PCLC was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The PCLC's contractually required contribution to STRS was \$156,679 for fiscal year 2015. Of this amount \$25,820 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The PCLC's proportion of the net pension liability was based on the PCLC's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$362,819	\$2,636,984	\$2,999,803
Proportion of the Net Pension Liability	0.007169%	0.0108410%	
Pension Expense	\$21,337	\$121,826	\$143,163

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8. DEFINED BENEFIT PENSION PLANS (continued)

At June 30, 2015, the PCLC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$3,088	\$25,387	\$28,475
Difference between the PCLC contributions and proportionate share of contributions	20,364	0	20,364
The PCLC contributions subsequent to the measurement date	<u>51,096</u>	<u>150,055</u>	<u>201,151</u>
Total Deferred Outflows of Resources	<u>\$74,548</u>	<u>\$175,442</u>	<u>\$249,990</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$58,887	\$487,852	\$546,739
Difference between the PCLC contributions and proportionate share of contributions	<u>0</u>	<u>9,051</u>	<u>9,051</u>
Total Deferred Inflows of Resources	<u>\$58,887</u>	<u>\$496,903</u>	<u>\$555,790</u>

\$201,151 reported as deferred outflows of resources related to pension resulting from PCLC contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2016	(\$8,799)	(\$117,879)	(\$126,678)
2017	(8,799)	(117,879)	(126,678)
2018	(8,799)	(117,879)	(126,678)
2019	<u>(9,037)</u>	<u>(117,879)</u>	<u>(126,916)</u>
Total	<u>(\$35,434)</u>	<u>(\$471,516)</u>	<u>(\$506,950)</u>

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8. DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

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8. DEFINED BENEFIT PENSION PLANS (continued)

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	<u>100.00 %</u>	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the PCLC's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

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8. DEFINED BENEFIT PENSION PLANS (continued)

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The PCLC's proportionate share of the net pension liability	\$517,635	\$362,819	\$232,605

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years; one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

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8. DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

Sensitivity of the PCLC's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the PCLC's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the PCLC's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The PCLC's proportionate share of the net pension liability	\$3,775,019	\$2,636,984	\$1,674,446

9. POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Health Care Plan Description - The PCLC contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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9. POSTEMPLOYMENT BENEFITS (continued)

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the PCLC's surcharge obligation was \$0.

The PCLC's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$6,172, \$3,145, and \$1,935, respectively. For fiscal year 2015, 82 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2014 and 2013.

B. State Teachers Retirement System

Plan Description – The PCLC participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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June 30, 2015

9. POSTEMPLOYMENT BENEFITS (continued)

Funding Policy – Ohio Revised Code Chapter 3307 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. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The PCLC's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$10,540, and \$11,780 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

10. OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

B. Employee Medical and Dental Benefits

The PCLC has purchased insurance from Anthem Blue Cross/Blue Shield to provide employee medical/surgical. The PCLC pays 75% for the employee's rate and 70% of any dependents, including spouses. Dental Care Plus provides dental coverage to all employees with PCLC paying 80% of the premium. The PCLC makes vision insurance coverage to employees through Avesis Third Administrators, Inc. which are 100% the employee's responsibility.

11. CONTINGENCIES

A. Grants

The PCLC received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the PCLC at June 30, 2015.

**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO**

Notes to the Basic Financial Statements
June 30, 2015

11. CONTINGENCIES (continued)

B. State Funding

The School's Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, the School must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the School; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the School.

12. BOARD MEMBERS

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

13. RELATED PARTY TRANSACTIONS

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

The PCLC employed Sherrylon Miree, Dr. Glenda Brown's niece, during 2015 and was paid \$38,245 in salary.

14. CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the PCLC entered into a capital lease for apple computers totaling \$72,939. The terms of the agreement provides an option to purchase the equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, Accounting for Leases, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been from the capital outlay object code on a cash basis and these expenses are reclassified on a GAAP basis to interest or principal reduction. Principal payments in fiscal year 2015 totaled \$28,327 and interest payments of \$4,671.

	Capital Leases Payable		
Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$12,600	\$507	\$13,107

**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY, OHIO**

Notes to the Basic Financial Statements
June 30, 2015

15. LONG TERM LIABILITIES

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

	Obligation Outstanding 7/01/14	Additions	Reductions	Obligation Outstanding 6/30/15	Amounts Due in One Year
Self Help Venture					
Loan Payable					
6.51% 3/29/2016	\$3,301,094	\$0	\$80,644	\$3,220,450	\$3,220,450
Capital Lease Payable	40,927	0	28,327	12,600	12,600
Net Pension Liability:					
STRS	3,141,158		504,174	2,636,984	0
SERS	426,317		63,498	362,819	0
Total Long Term Liabilities	\$6,909,496	\$0	\$676,643	\$6,232,853	\$3,233,050

The PCLC pays obligations related to employee compensation from the fund benefiting from their service.

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

Fiscal Year Ending June 30,	Long Term Loan		
	Principal	Interest	Total
2016	\$3,220,450	\$158,373	\$3,378,823

**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Federal Grantor/ Pass Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster:			
National school breakfast	10.553	90,293	90,293
National school lunch	10.555	145,853	145,853
Total child nutrition cluster		<u>236,146</u>	<u>236,146</u>
Total U.S. Department of Agriculture		<u>236,146</u>	<u>236,146</u>
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Race to the Top	84.41	26,003	26,003
IDEA Part B	84.027	64,542	64,106
Title I	84.010	345,157	345,706
Title II A	84.367	9,612	9,612
Total Passed Through Ohio Department of Education		<u>445,313</u>	<u>445,426</u>
Total U.S. Department of Education		<u>445,313</u>	<u>445,426</u>
Total Federal Awards Expenditures		<u>681,459</u>	<u>681,572</u>

The accompanying notes are an integral part of this schedule.

**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Phoenix Community Learning Center'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.



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

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

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Phoenix Community Learning Center, Hamilton County, Ohio (the School) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated December 23, 2015 wherein we noted the School adopted Government Accounting Standards 68 and 71.

Internal Control over Financial Reporting

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

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

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



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Phoenix Community Learning Center
Hamilton County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Compliance and Other Matters

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

Purpose of this Report

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

Richardson & Associates, LLC

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



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

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

To the Board of Directors:

Report on Compliance for Each Major Federal Program

We have audited the Phoenix Community Learning Center's (the School) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the School's major federal programs for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Phoenix Community Learning Center complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2015.

Phoenix Community Learning Center
Hamilton County
Independent Auditor's Report on Compliance with Requirements
Applicable to Major Federal Programs and Internal Control Over
Compliance in Accordance with OMB Circular A-133
Page 2

Report on Internal Control over Compliance

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

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

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

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

Richardson & Associates, LLC

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

**PHOENIX COMMUNITY LEARNING CENTER
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
JUNE 30, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(I)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(I)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(I)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(I)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(I)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(I)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(I)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(I)(vi)</i>	Are there any reportable findings under §.510(a)?	No
<i>(d)(I)(vii)</i>	Major Programs (list):	Nutrition Cluster – CFDA 10.553 and 10.555 Title I – CFDA 84.010
<i>(d)(I)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(I)(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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8044 Montgomery Rd. Suite 700| Cincinnati, Ohio 45236

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

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

To the Board of Directors:

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

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Phoenix Community Learning Center (the School) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon 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, intimidation, or bullying of any student “on a school bus”.
2. We also noted the school did not amend its anti-harassment policy to include prohibiting "violence within a dating relationship".

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

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

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

Richardson & Associates, LLC

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

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REQUIRED SUPPLEMENTARY INFORMATION

Phoenix Community Learning Center (PCLC)
 Required Supplementary Information
 Schedule of the PCLC's Proportionate Share of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Two Fiscal Years (1)

	2014	2013
The PCLC's Proportion of the Net Pension Liability	0.007169%	0.007169%
The PCLC's Proportion Share of the Net Pension Liability	362,819	426,317
The PCLC's Covered-Employee Payroll	329,185	203,468
The PCLC's Proportion Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	110.22%	209.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	65.52%

(1) Information prior to 2013 is not available

Phoenix Community Learning Center (PCLC)
 Required Supplementary Information
 Schedule of the PCLC's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Two Fiscal Years (1)

	2014	2013
The PCLC's Proportion of the Net Pension Liability	0.01084100%	0.01084100%
The PCLC's Proportion Share of the Net Pension Liability	2,636,984	3,141,158
The PCLC's Covered-Employee Payroll	978,679	1,093,850
The PCLC's Proportion Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	269.44%	287.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	69.30%

(1) Information prior to 2013 is not available

Phoenix Community Learning Center (PCLC)
 Required Supplementary Information
 Schedule of PCLC's Contributions
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually Required Contributions	\$ 48,580	\$ 45,625	\$ 28,160	\$ 32,861	\$ 28,124	\$ 55,974	\$ 26,501	\$ 41,520	\$ 52,853	\$ 58,641
Contributions in Relation to the Contractually Required Contribution	<u>(48,580)</u>	<u>(45,625)</u>	<u>(28,160)</u>	<u>(32,861)</u>	<u>(28,124)</u>	<u>(55,974)</u>	<u>(26,501)</u>	<u>(41,520)</u>	<u>(52,853)</u>	<u>(58,641)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The PCLC Covered-Employee Payroll	\$ 368,589	\$ 329,185	\$ 203,468	\$ 244,320	\$ 223,739	\$ 413,397	\$ 269,319	\$ 422,811	\$ 494,878	\$ 554,263
Contributions as a Percentage of Covered- Employee Payroll	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%	9.84%	9.82%	10.68%	10.58%

Phoenix Community Learning Center (PCLC)
 Required Supplementary Information
 Schedule of PCLC's Contributions
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually Required Contributions	\$ 156,679	\$ 137,015	\$ 153,139	\$ 183,351	\$ 167,651	\$ 159,376	\$ 161,405	\$ 149,866	\$ 158,945	\$ 159,090
Contributions in Relation to the Contractually Required Contribution	<u>(156,679)</u>	<u>(137,015)</u>	<u>(153,139)</u>	<u>(183,351)</u>	<u>(167,651)</u>	<u>(159,376)</u>	<u>(161,405)</u>	<u>(149,866)</u>	<u>(158,945)</u>	<u>(159,090)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Academy Covered-Employee Payroll	\$ 1,119,136	\$ 978,679	\$ 1,093,850	\$ 1,309,650	\$ 1,197,507	\$ 1,138,400	\$ 1,152,893	\$ 1,070,471	\$ 1,135,321	\$ 1,136,357
Contributions as a Percentage of Covered- Employee Payroll	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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Dave Yost • Auditor of State

PHOENIX COMMUNITY LEARNING CENTER

HAMILTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 1, 2016**