



Dave Yost • Auditor of State

OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Statement of Net Position	9
Statement of Revenues, Expenses and Changes in Net Position.....	10
Statement of Cash Flows	11
Notes to the Basic Financial Statements	13
Independent Auditor's Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Required by <i>Government Auditing Standards</i>	25
Independent Accountant's Report on Applying Agreed-Upon Procedure	27

THIS PAGE INTENTIONALLY LEFT BLANK



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Oakstone Community School
Franklin County
5747 Cleveland Ave
Columbus, Ohio 43231

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Oakstone Community School, Franklin County, Ohio (the School), as of and for the year ended June 30, 2014, 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oakstone Community School, Franklin County, Ohio as of June 30, 2014, and the change in its financial position and its cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 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.



Dave Yost
Auditor of State
Columbus, Ohio

January 22, 2015

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014
(UNAUDITED)

The discussion and analysis of the Oakstone Community School's (the "School") financial performance provides an overall review of the School's financial activities for the year ended June 30, 2014. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2014 are as follows:

- In total, net position was \$350,597 at June 30, 2014.
- The School had operating revenues of \$7,211,253, operating expenses of \$7,389,765 and non-operating revenues of \$193,022 for fiscal year 2014. Total change in net position for the fiscal year was an increase of \$14,510.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School's financial activities. The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position provide information about the activities of the School, including all short-term and long-term financial resources and obligations.

Reporting the School's Financial Activities

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

These documents look at all financial transactions and ask the question, "How did we do financially during 2014?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year revenues and expenses regardless of when cash is received or paid.

These two statements report the School's net position and changes in that 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. These statements can be found on pages 7 and 8 of this report.

The Statement of Cash Flows provides information about how the School finances and meets the cash flow needs of its operations. The Statement of Cash Flows can be found on page 9 of this report.

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014
(UNAUDITED)

The table below provides a summary of the School's assets, liabilities and net position for fiscal year 2014 and 2013.

Assets, Liabilities and Net Position

	<u>2014</u>	<u>2013</u>
Assets		
Current assets	\$ 482,514	\$ 452,387
Non-current assets, net	<u>35,935</u>	<u>34,809</u>
Total assets	<u>518,449</u>	<u>487,196</u>
Liabilities		
Current liabilities	112,067	100,307
Long term liabilities	<u>55,785</u>	<u>50,802</u>
Total liabilities	<u>167,852</u>	<u>151,109</u>
Net Position		
Net investment in Capital Assets	3,935	2,809
Restricted	32,000	32,000
Unrestricted	<u>314,662</u>	<u>301,278</u>
Total Net Position	<u>\$ 350,597</u>	<u>\$ 336,087</u>

Current Assets increased in fiscal year 2014. Intergovernmental receivables increased due to increased federal funding. The School's cash balance at June 30, 2014, was \$450,963 an increase of \$28,993 from 2013.

At June 30, 2014, capital assets represented less than 1% of total assets. Capital assets consisted of furniture and computer equipment. There is no debt related to these capital assets. Capital assets are used to provide services to the students and are not available for future spending.

Current liabilities increased in fiscal year 2014 due to larger accounts payable and intergovernmental payable offset by decreased accrued wages. The increase in accounts payable was due to a change in summer service dates resulting in a small payable that did not exist in the prior year. The decrease in accrued wages was related to changes in staffing levels/schedules. The increase in intergovernmental payable represents amounts owed to SERS for the surcharge and amounts not collected through foundation payments.

The School's long term liabilities consist of compensated absences only. This liability increased due to leave balances accrued by the Superintendent and Fiscal Officer.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2014, the School's net position was \$350,597 compared to \$336,087 at June 30, 2013. The School's net position increased \$14,510 during fiscal year 2014 primarily due to the increase in students served directly by the School.

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014
(UNAUDITED)

The table below shows the changes in net position for fiscal year 2014 and 2013:

Change in Net Position

	2014	2013
<u>Operating Revenues:</u>		
State foundation	\$ 7,207,899	\$ 7,316,545
Other	3,354	-
Total operating revenue	7,211,253	7,316,545
<u>Non-operating Revenues:</u>		
Federal and State grants	192,147	163,520
Donations	736	150
Interest income	139	519
Total non-operating revenues	193,022	164,189
Total revenue	7,404,275	7,480,734
<u>Operating Expenses:</u>		
Salaries and wages	1,131,958	925,554
Fringe benefits	276,455	252,896
Purchased services	5,915,258	6,247,891
Materials and supplies	64,820	26,536
Depreciation	1,274	1,034
Other	-	2,847
Total operating expenses	7,389,765	7,456,758
Change in net position	14,510	23,976
Net position at beginning of year	336,087	312,111
Net position at end of year	\$ 350,597	\$ 336,087

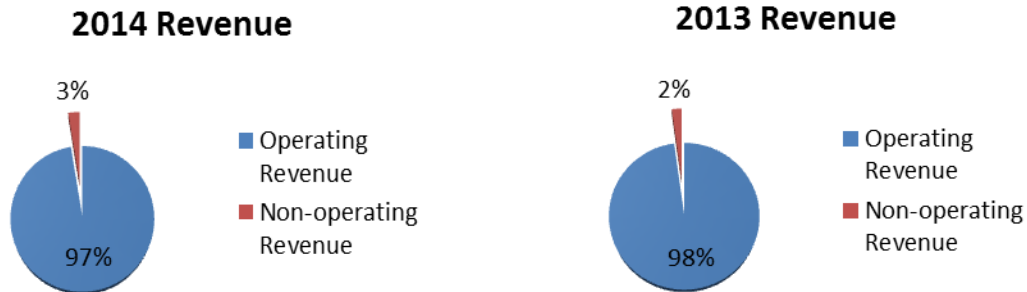
State foundation revenue decreased because enrollment for the School went from 254 students during fiscal year 2013 to 250 students during fiscal year 2014. Interest income decreased, while donations increased from 2013. Federal grant revenue increased substantially in the Title VI-B IDEA Special Education funding and slightly in the Medicaid in Schools Program funding. The School also received a Bureau of Workers Comp refund from premiums paid in 2011.

Salaries and wages and fringe benefits increased during 2014 due to salary increases and new hires to support more students served directly by the School. Purchased services decreased due to general decreases in costs and a decrease in students placed out for services, offset by additional rent for classroom space to serve students directly. Materials and supplies increased due to providing supplies for additional classrooms. Depreciation increased with the increase in capital assets.

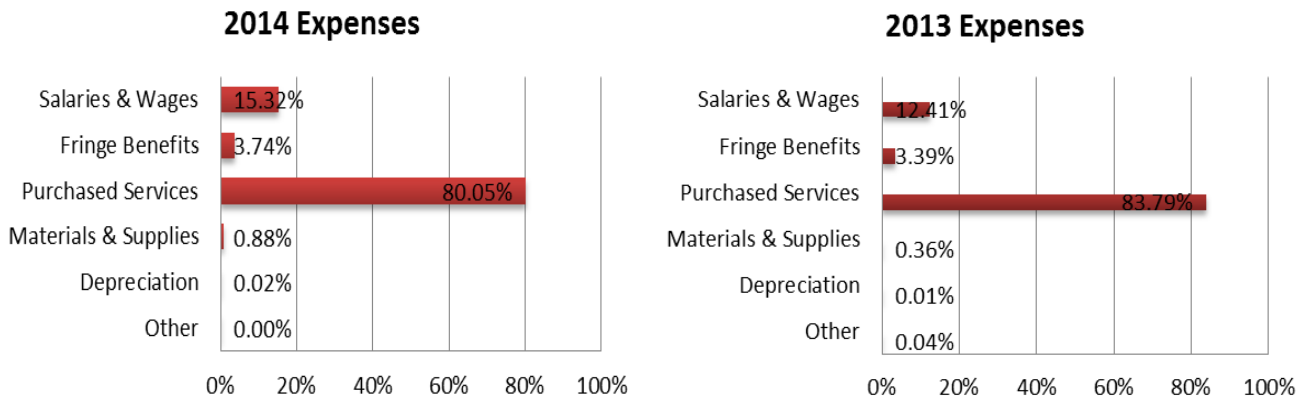
**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014
(UNAUDITED)**

The charts below illustrate the revenues for the School during fiscal 2014 and 2013:



The charts below illustrate the expenses for the School during fiscal 2014 and 2013:



Capital Assets

At June 30, 2014, the School had \$3,935 invested in furniture and computer equipment. Capital assets increased a net of \$1,126 in 2014. The School had additions, disposals, and also had \$1,274 in depreciation expense for the year. The disposals were fully depreciated. See Note 4 to the basic financial statements for more detail on capital assets.

Debt Administration

The School had no debt outstanding during fiscal year 2014 or as of June 30, 2014.

Current Financial Related Activities

The School is sponsored by the Educational Service Center of Central Ohio. The School is reliant upon State Foundation monies and State and Federal Grants to offer quality, educational services to students. In order to continually provide learning opportunities to the School's students, the School will apply resources to best meet the needs of its students. It is the intent of the School to apply for other State and Federal funds that are made available to finance its operations.

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014
(UNAUDITED)**

Contacting the School's Financial Management

This financial report is designed to provide our clients and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Johanna Gladman, CPA, Fiscal Officer, Oakstone Community School, 5747 Cleveland Avenue, Columbus, Ohio 43231.

THIS PAGE INTENTIONALLY LEFT BLANK

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2014

Assets:

Current assets:

Cash	\$ 450,963
Intergovernmental Receivable	25,447
Prepays	<u>6,104</u>
<i>Total current assets</i>	<u>482,514</u>

Non-current assets:

Security deposit	32,000
Capital assets, net	<u>3,935</u>
<i>Total non-current assets</i>	<u>35,935</u>

Total assets	<u>518,449</u>
--------------	----------------

Liabilities:

Current:

Accounts payable	22,598
Accrued wages and benefits	56,633
Intergovernmental payable	<u>32,836</u>
<i>Total current liabilities</i>	<u>112,067</u>

Long-term liabilities:

Compensated absences	<u>55,785</u>
----------------------	---------------

Total liabilities	<u>167,852</u>
-------------------	----------------

Net Position:

Net Investment in Capital Assets	3,935
Restricted for:	
Security deposit	32,000
Unrestricted	<u>314,662</u>
Total Net Position	<u>\$ 350,597</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

Operating revenues:	
State foundation	\$ 7,207,899
Other	3,354
	<hr/>
Total operating revenues	7,211,253
	<hr/>
Operating expenses:	
Salaries and wages	1,131,958
Fringe benefits	276,455
Purchased services	5,915,258
Materials and supplies	64,820
Depreciation	1,274
	<hr/>
Total operating expenses	7,389,765
	<hr/>
Operating loss	(178,512)
	<hr/>
Non-operating revenues:	
Federal and state grants	192,147
Donations	736
Interest income	139
	<hr/>
Total non-operating revenues	193,022
	<hr/>
Change in Net Position	14,510
	<hr/>
Net Position at beginning of year	336,087
	<hr/>
Net Position at end of year	\$ 350,597
	<hr/> <hr/>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

Cash flows from operating activities:	
Cash received from State foundation	\$ 7,209,110
Cash payments for salaries and benefits	(1,400,825)
Cash payments to suppliers for goods and services	(5,907,377)
Cash payments for materials and supplies	(62,988)
Cash received for other operating activities	<u>3,354</u>
Net cash used in operating activities	<u>(158,726)</u>
Cash flows from noncapital financing activities:	
Federal and state grants	189,244
Donations	<u>736</u>
Net cash provided by noncapital financing activities	<u>189,980</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(2,400)</u>
Net cash used in capital and related financing activities	<u>(2,400)</u>
Cash flows from investing activities:	
Interest received	<u>139</u>
Net cash provided by investing activities	<u>139</u>
Net increase in cash and cash equivalents	28,993
Cash and cash equivalents at beginning of year	<u>421,970</u>
Cash and cash equivalents at end of year	<u><u>\$ 450,963</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (178,512)
Adjustments:	
Depreciation	1,274
Changes in assets and liabilities:	
Increase in intergovernmental receivable	(522)
Decrease in prepayments	2,291
Increase in accounts payable	7,827
Decrease in accrued wages and benefits	(3,248)
Increase in intergovernmental payable	7,181
Increase in compensated absences payable	<u>4,983</u>
Net cash used in operating activities	<u><u>\$ (158,726)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - DESCRIPTION OF THE SCHOOL

The Oakstone Community School (the "School") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The School is an approved tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the School's tax-exempt status. The School specializes in providing educational services to special needs children with Autism Spectrum Disorders. Specific activities in support of the School include general teaching, therapy and socialization activities. The School, which is part of the state's education program, is nonsectarian 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 began operations on October 4, 2004. The School contracted with the Educational Service Center of Central Ohio (the "Sponsor") for a period of five years commencing July 1, 2009. The Sponsor is responsible for evaluating the performance of the School. The contract expiring June 30, 2014, was renewed for a period of three years and will expire on June 30, 2017.

The School operates under the direction of a self-appointed Board of Trustees. The Board operates with a minimum of five members. 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 qualification of teachers. The School was staffed by 13 certificated personnel and 17 non-certified staff members who provided services to 260 students (250.19 full time equivalents) during fiscal year 2014.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The School's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

The School uses a single enterprise presentation. Enterprise reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

B. Measurement Focus

Enterprise activity is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (e.g. revenues) and decreases (e.g. expenses) in net position. The Statement of Cash Flows reflects how the School finances meet its cash flow needs.

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

Basis of accounting determines when transactions are recognized in the financial records and reported on the financial statements. The School's financial statements are prepared using the accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Revenue resulting from non-exchange transactions, in which the School receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the period when the resources are required to be used or the period when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. Expenses are recognized at the time they are incurred.

D. Budgetary Process

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

E. Cash

Cash received by the School is reflected as "Cash" on the Statement of Net Position. The School did not have any investments during the period ended June 30, 2014.

F. Capital Assets and Depreciation

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The School maintains a capitalization threshold of \$1,000. The School does not have any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. The School does not capitalize interest.

All capital assets are depreciated. The School's capital assets consist of furniture and equipment. Depreciation is computed using the straight-line method. Furniture and equipment are depreciated over five years.

G. Compensated Absences

Vacation and sick leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School will compensate the employees for the benefits through paid time off or some other means. Unused sick leave is banked for use during the following school year but is only paid out upon resignation or termination after ten years of employment with the School. The Superintendent and Fiscal Officer contracts contain a provision for payment of 25% of sick leave to be paid upon termination or resignation at the current rate of pay. The School records a liability for employees with accumulated unused vacation leave when earned.

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Compensated Absences (continued)

The following is a summary of compensated absences for fiscal year 2014:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
\$50,802	\$4,983	\$0	\$55,785

H. Prepayments

Payments made to vendors or employees for services that will benefit periods beyond June 30, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the payment by the School and the expense is recorded when used. The School has prepaid items of \$6,104 at June 30, 2014.

I. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The School had restricted net position related to amounts held by a lessor as part of the School's lease agreement totaling \$32,000.

J. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the School. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the School. All revenues and expenses not meeting this definition are reported as non-operating.

K. Estimates

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

NOTE 3 – DEPOSITS

Custodial credit risk is the risk that, in the event of bank failure, the School's deposits may not be returned. The School does not have a deposit policy for custodial credit risk. At June 30, 2014, the carrying amount of the School's deposits was \$450,963 and the bank balance was \$464,363. Federal Deposit Insurance Corporation (FDIC) covered \$250,000 of the bank balance. The remaining amount was collateralized by the financial institution's public entity deposit pool. There are no significant statutory restrictions regarding the deposit and investment of funds by the School.

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	<u>June 30, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2014</u>
Depreciable capital assets:				
Furniture	\$ 4,500	\$ -	\$ -	\$ 4,500
Equipment	131,929	2,400	(26,544)	107,785
Less: accumulated depreciation	<u>(133,620)</u>	<u>(1,274)</u>	<u>26,544</u>	<u>(108,350)</u>
Capital assets, net	<u>\$ 2,809</u>	<u>\$ 1,126</u>	<u>\$ -</u>	<u>\$ 3,935</u>

NOTE 5 - BUILDING LEASE AND SECURITY DEPOSIT

The School operations are located in space leased from the Children's Center for Developmental Enrichment (CCDE). As part of the original lease agreement from fiscal year 2005, the School was required to pay a security deposit of \$32,000. This amount is being held by the Lessor and will be remitted to the School at the end of the lease if all lease commitments are paid. The lease agreement for fiscal year 2014 required \$360,000 in lease payments. The lease expired on June 30, 2014, but was renewed for fiscal year 2015.

NOTE 6 - RECEIVABLES

The School had no accounts receivable as of June 30, 2014. The School had \$25,447 in intergovernmental receivables outstanding at June 30, 2014.

NOTE 7 - PENSION PLANS

A. School Employees Retirement System

Plan Description

The School contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and the School is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2014, the allocation to pension and death benefits is 13.10%. The remaining .90% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The School's required contributions to SERS for the years ended June 30, 2014, 2013, and 2012 were \$63,515, \$49,153, and \$49,725, respectively; 82% has been contributed for fiscal year 2014 with the balance being reported as intergovernmental payable; 100% has been contributed for fiscal years 2013 and 2012.

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

NOTE 7 - PENSION PLANS (continued)

B. State Teachers Retirement System of Ohio

The School participates in the State Teachers Retirement System of Ohio (STRS Ohio).

1. STRS Ohio is a cost-sharing, multiple-employer public employee retirement system.
2. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution, or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

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 9.5% 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 to 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 may transfer to a different STRS Ohio retirement plan during their fifth year of membership. Eligible members who do not make a choice during the reselection period will permanently remain in their current plan.

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 members 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 9.5% 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.

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

NOTE 7 - PENSION PLANS (continued)

B. State Teachers Retirement System of Ohio (continued)

2. (continued)

Combined Plan Benefits – For members who select the Combined Plan, 10% of the 11% member contribution rate is deposited into the member's defined contribution account and remaining amount is applied to the DB Plan. 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 with five years of service credit. The defined contributions portion of the accounts may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

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.

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 of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. 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.

3. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 14% for members and 14% for employers.
4. Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2014, were 11% of covered payroll for members and 14% for employers. The School's required contributions to STRS Ohio for the DB plan were \$85,468 for the fiscal year ended June 30, 2014, \$69,336 for the fiscal year ended June 30, 2013, and \$63,584 for the fiscal year ended June 30, 2012. For fiscal year 2014, 96% has been contributed, with the balance being reported as intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

NOTE 7 - PENSION PLANS (continued)

B. State Teachers Retirement System of Ohio (continued)

5. STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's 2014 Comprehensive Annual Financial Report will be available after December 31, 2014.
6. Additional information or copies of STRS Ohio's 2014 Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

NOTE 8 - POSTEMPLOYMENT 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 postemployment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2014 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 if they participated in one of SERS' health care plans.

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 2014, the actuarially required allocation is .76%. The School's required contributions for the years ended June 30, 2014, 2013, and 2012 were \$3,685, \$2,598, and \$2,664, respectively; 82% has been contributed for fiscal year 2014 with the balance being reported as intergovernmental payable; 100% has been contributed for fiscal years 2013 and 2012.

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, 2014, the health care allocation is .14%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

NOTE 8 - POSTEMPLOYMENT BENEFITS (continued)

A. School Employees Retirement System (continued)

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 2014, the minimum compensation level was established at \$20,250. 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 contributions, including the surcharge, assigned to health care for the years ended June 30, 2014, 2013, and 2012 were \$4,762, \$3,690, \$7,299, respectively; 12% has been contributed for fiscal year 2014 with the balance being reported as intergovernmental payable; 100% has been contributed for fiscal years 2013 and 2012.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for healthcare 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 on SERS' website at www.ohsers.org under Employers/Audit Resources.

B. State Teachers Retirement System

1. Plan Description

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan, a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums.

Pursuant to Chapter 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

2. Funding Policy

Under Ohio law, funding for post employment health care may be deducted from employer contributions. Of the 14% employer contribution rates, 1% of covered payroll was allocated to post-employment health care for the years ended June 30, 2014, 2013, and 2012. Effective July 1, 2014, 0% of covered payroll was allocated to post-employment health care. The 14% employer contribution rate is the maximum rate established under Ohio law.

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

NOTE 8 - POSTEMPLOYMENT BENEFITS (continued)

B. State Teachers Retirement System (continued)

2. Funding Policy (continued)

The School's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012 were \$6,575, \$5,682, and \$4,891, respectively. For fiscal year 2014, 96% has been contributed, with the balance reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

NOTE 9 - 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. During fiscal year 2014, the School contracted with Philadelphia Insurance Co. for insurance as follows:

Insurance Type	Coverage	Deductible
Property Insurance	\$ 115,000	\$ 2,500
Business Interruption	250,000	-
Computer Equipment, Data, Software	100,000	500
Crime - Employee Theft, Dishonesty	250,000	2,500
General Liability	1,000,000 per occurrence/2,000,000 aggregate	-
Personal and Advertising Injury	1,000,000 per occurrence/2,000,000 aggregate	-
Abuse/Molestation	1,000,000 per occurrence/2,000,000 aggregate	-
Ohio Stop Gap Liability	1,000,000	-
Professional Liability	1,000,000 per occurrence/2,000,000 aggregate	-
Auto - Hired and Non-Owned Auto	1,000,000	-
Directors and Officers	2,000,000 per occurrence/4,000,000 aggregate	-
Employment Practices	2,000,000 per occurrence/4,000,000 aggregate	-
Workplace Violence	1,000,000 per occurrence/4,000,000 aggregate	-
Accident Medical Expense Benefits	25,000 maximum	-
Umbrella Policy - Auto, General, Stop Gap, Professional Liability	5,000,000 per occurrence/aggregate	-

The amount of settlements did not exceed insurance coverage for any of the past three years. There has not been a significant reduction in coverage from the prior year.

B. Workers' Compensation

The School pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor determined by the state. The School owed \$4,773 for this premium on January through June 2014 wages and accrued wages. The liability is reflected in the financial statements.

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

NOTE 10 - EMPLOYEE BENEFITS

The School offers healthcare, dental, and vision insurance for all eligible employees. The School pays a portion of the monthly premium for healthcare, dental, and vision benefits, and the employee is responsible for the remainder. The School provides basic life and accidental death and dismemberment insurance to employees. Employees also have the option of paying for additional insurance benefits above the basic level. The School also provides short term disability benefits for eligible employees. Employees have the option of paying for long term disability benefits.

NOTE 11 - PURCHASED SERVICES

For fiscal year ended June 30, 2014, purchased services expenses were as follows:

Rent	\$ 360,000
Management Services	100,000
Summer Services	184,350
Placement Contract	5,045,369
Related Services	136,171
Sponsor Services	38,782
Audit Services	5,576
Attorney and Related Fees	7,495
Professional Memberships and Training	3,356
Other (Advertising, Mail, etc.)	5,133
Insurance	15,888
Computer Consortium and EMIS Services	13,138
Total	\$ 5,915,258

NOTE 12 - CONTRACTS

A. Sponsor Contract

The School entered into a five-year contract commencing on July 1, 2009 and continuing through June 30, 2014 with the Educational Service Center of Central Ohio (the "Sponsor") for sponsorship services. Under the contract, the following terms were agreed upon:

- The School shall operate in substantial compliance with its "Educational Plan", which contains the School's mission, educational philosophy, the ages and grades of students, the characteristics of the students the School is expected to attract, the School calendar, the academic goals and the method of measurement that will be used to determine progress toward those goals, graduation requirements, and the focus of the curriculum.
- The School shall operate in substantial compliance with a "Financial Plan", which establishes an estimated school budget for each year, maintain financial records, be audited as required by ORC, comply with financial procedures and internal controls of the School.
- The School shall secure the services of a Superintendent, who shall be the chief operating officer of the School and a liaison between the School and Sponsor.
- The School shall annually pay to the Sponsor, from funding provided to the School by the Ohio Department of Education (ODE) pursuant to Section 3314.08 of the Ohio Revised Code, \$155 per student per year and such other amounts as mutually agreed, including fees for any services provided to the School by the Sponsor.

Expenses for sponsorship services amounted to \$38,782 during fiscal year 2014. The contract with the Sponsor was renewed prior to June 30, 2014, for a three year term expiring June 30, 2017.

**OAKSTONE COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)**

NOTE 12 – CONTRACTS (continued)

B. Service Contract

The School entered into a Placement Contract with CCDE to provide for educational services to certain students in order to assist the School in meeting the educational needs and to provide the necessary services of the students' Individual Educational Plan. The required amount due to CCDE under the Placement Contract was \$5,045,369 during fiscal year 2014 which was paid during the fiscal year.

C. Management Contract

The School entered into an Administrative Management agreement with CCDE for Administrative Services for the period July 1, 2013 through June 30, 2014 in the amount of \$100,000. CCDE provides services in the area of human resources, staff training and support, secretarial, technology, including e-mail, administrative, data entry, and curriculum and program development. Payments to CCDE for Administrative Services amounted to \$100,000 during fiscal year 2014. The management contract was renewed for fiscal year 2015.

NOTE 13 - CONTINGENCIES

A. Grants

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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2014.

B. Ohio Department of Education Enrollment Review

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The fiscal year 2014 review resulted in a reduction of revenue of \$1,211. This amount is included in intergovernmental payable and was collected by ODE via a reduction of fiscal year 2015 payments.

NOTE 14 - DEBT

The School had no long term debt outstanding at June 30, 2014.

THIS PAGE INTENTIONALLY LEFT BLANK



Dave Yost • Auditor of State

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

Oakstone Community School
Franklin County
5747 Cleveland Ave
Columbus, Ohio 43231

To the Board of Trustees:

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 Oakstone Community School, Franklin County, Ohio (the School) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated January 22, 2015.

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*.

88 East Broad Street, Tenth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-3402 or 800-443-9275

www.ohioauditor.gov

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.

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

Dave Yost
Auditor of State
Columbus, Ohio

January 22, 2015



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Oakstone Community School
Franklin County
5747 Cleveland Avenue
Columbus, Ohio 43231

To the Board of Trustees:

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

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

1. In our report dated January 27, 2014, we noted the Board adopted an anti-harassment policy on June 22, 2011. However, this policy did not include all matters required by Ohio Rev. Code 3313.666.
2. The Board amended the policy on January 22, 2014. We read the amended policy, noting it now includes all the requirements listed in Ohio Rev. Code 3313.666.

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

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

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

Dave Yost
Auditor of State
Columbus, Ohio

January 22, 2015

This page intentionally left blank.



Dave Yost • Auditor of State

OAKSTONE COMMUNITY SCHOOL

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
FEBRUARY 17, 2015**