

**CRITTENTON COMMUNITY SCHOOL
COLUMBUS, OHIO**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

WOLF, ROGERS, DICKEY & CO.
Certified Public Accountants



Dave Yost • Auditor of State

Board of Governors
Crittenton Community School
1418 East Broad Street
Columbus, Ohio 43205

We have reviewed the *Independent Auditor's Report* of the Crittenton Community School, Franklin County, prepared by Wolf, Rogers, Dickey & Co., for the audit period July 1, 2011 through June 30, 2012. 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 Crittenton Community School is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

May 6, 2013

Crittenton Community School
Franklin County, Ohio

For the Year Ended
June 30, 2012

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Wolf, Rogers, Dickey & Co.

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Independent Auditors' Report

Crittenton Community School
Franklin County, Ohio

To the Board of Governors:

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

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

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

As described in Note 3, during the year ended June 30, 2012 the School adopted Governmental Accounting Standards Board Statements No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an Amendment of GASB Statement No. 53*.

As discussed in Note 14 to the financial statements, the Board of Directors made the determination that the School would discontinue operations as of June 30, 2013.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2013, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the accompanying Management's Discussion and Analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School's basic financial statements. The accompanying schedule of expenditure of federal awards is presented for purposes of additional analysis, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Wolf, Rogers, Dickey & Co.
Certified Public Accountants

February 1, 2013

Crittenton Community School, Franklin County, Ohio
Management's Discussion and Analysis
For the Year Ended June 30, 2012
Unaudited

The management's discussion and analysis of the Crittenton Community School (the School's) financial performance provides an overall review of the School's financial activities for the fiscal year ending June 30, 2012. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the 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 years 2012 are as follows:

- In total, net assets decreased \$38,012 from fiscal year 2011.
- The School had operating revenues of \$598,620 and operating expenses of \$1,150,014 during fiscal year 2012. During the year the School also had non-operating revenues of \$513,382.

Using the 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 assets and statement of revenues, expenses and changes in net assets provide information about the activities of the School, including all short-term and long-term financial resources and obligations. The statement of cash flows provides information about how the School finances and meets the cash flow needs of its operations.

Report Components

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

These documents look at all financial transactions and ask the question, "How did the School do financially during 2012?" The statement of net assets and the statement of revenues, expenses and changes in net assets answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's net assets and changes in those assets. This change in net assets 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 can be found on page 9.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes to the basic financial statements can be found on pages 10-20 of this report.

The table on the next page provides a summary of the School's net assets at June 30, 2012 and June 30, 2011.

Crittenton Community School, Franklin County, Ohio
Management's Discussion and Analysis, continued
For the Year Ended June 30, 2012
Unaudited

Reporting the School as a Whole

	Net Assets	
	2012	2011
<u>Assets</u>		
Current assets	\$ 127,308	212,180
Capital assets, net	78,298	81,170
Total assets	205,606	293,350
<u>Liabilities</u>		
Current liabilities	60,919	110,651
Total liabilities	60,919	110,651
<u>Net Assets</u>		
Invested in capital assets, net of related debt	78,298	81,170
Restricted	14,067	39,503
Unrestricted	52,322	62,026
Total net assets	\$ 144,687	182,699

Assets

Over time, net assets can serve as a useful indicator of the School's financial position. At June 30, 2012, the School's assets exceeded liabilities by \$144,687, a decrease of \$38,012 from fiscal year 2011. Of this total, \$52,322 is unrestricted.

Current assets of \$205,606 represent cash, account receivables, intergovernmental receivables and prepayments.

At June 30, 2012, capital assets represent 38.08 percent of total assets, compared to 27.67 percent in fiscal year 2011. Capital assets consisted of furniture and equipment and leasehold improvements. Capital assets are used to provide services to students and are not available for future spending.

Liabilities

Current liabilities decreased by \$49,732 from fiscal year 2011 to 2012, which is primarily due to a decrease in accrued wages and related liabilities and benefits. Current liabilities of \$60,919 represent accounts payable, accrued wages and related liabilities payable, benefits payable and intergovernmental payable.

Crittenton Community School, Franklin County, Ohio
Management's Discussion and Analysis, continued
For the Year Ended June 30, 2012
Unaudited

The School as a Whole, continued

The table below reflects the changes in net assets on a cash basis in fiscal 2012 and 2011 for the School.

Change in Net Assets

	<u>2012</u>	<u>2011</u>
<u>Operating Revenues:</u>		
Foundation payments	\$582,263	641,681
School contracts payments	-	189,817
Disadvantaged pupil impact aid	4,832	7,782
Other	11,525	11,270
	<u>598,620</u>	<u>850,550</u>
<u>Operating Expenses:</u>		
Salaries	640,576	882,869
Fringe benefits	188,694	237,809
Purchased services	265,387	241,731
Materials and supplies	27,228	31,120
Depreciation	9,378	7,120
Other	18,751	17,930
	<u>1,150,014</u>	<u>1,418,579</u>
<u>Non-operating revenues (expenses):</u>		
School grant subsidies	513,382	624,640
Total non-operating revenues	<u>513,382</u>	<u>624,640</u>
Change in net assets	(38,012)	56,611
Net assets at beginning of year	<u>182,699</u>	<u>126,088</u>
Net assets at end of year	<u><u>\$144,687</u></u>	<u><u>182,699</u></u>

Net assets decreased \$38,012 from 2011. Foundation payments decreased due to fewer students enrolled during fiscal year 2012. School contracts payments decreased due to no contract students from Columbus City Schools during fiscal year 2012. Salaries decreased \$242,293 due mainly to the reduction of part time staff. Fringe benefits decreased by \$49,115 due to a decrease in salaries. General fund supplies remained consistent with the previous year. Grants and subsidies decreased by \$111,258. The Comprehensive Continuous Improvement Program (CCIP) grants decreased by \$63,210 and the ARRA grants decreased by \$5,065.

Crittenton Community School, Franklin County, Ohio
Management's Discussion and Analysis, continued
For the Year Ended June 30, 2012
Unaudited

Capital Assets

At the end of fiscal year 2012, the School had \$78,298 invested in furniture and equipment and leasehold improvements net of accumulated depreciation. The following table shows fiscal year 2012 balances compared to 2011:

Capital Assets at June 30
(Net of Depreciation)

	<u>Governmental Activities</u>	
	2012	2011
Furniture and equipment	\$ 12,367	13,299
Leasehold improvements	65,931	67,871
Total capital assets	\$ 78,298	81,170

The overall decrease in capital assets during fiscal year 2012 of \$2,872 is due to depreciation expense of \$9,378 being more than the \$6,506 in additions. See Note 6 to the basic financial statements for additional information on the School's capital assets.

Current Financial Related Activities

The School began operations on July 1, 2002 and is currently located at 1418 East Broad Street, Columbus, Ohio 43205. The idea for this innovative school was formed through the board members of Directions for Youth & Families, an associated not-for-profit organization. The School was formed as a 501(c)(3) corporation with a governing board of nine appointed members. The School enrolls "high-risk", underachieving middle school students, grades 6 through 9, who are at risk of dropping out of school due to behavioral/emotional issues. The School uses a personalized learning service model that begins with the creation of the students' Individualized Learning Plan. Certified teachers manage a caseload of 5-8 students who have demonstrated, in other schools, an inability to cope with the demands of a classroom setting. The outreach elements of the School have grown out of research that tells us that a quality educational experience is most likely to occur if students, teachers and parents/guardians join together in meaningful collaborative relations.

Due to the intensive academic and emotional needs of the students, the low student-to-teacher ratio creates a financial challenge for the School.

Due to enrollment and the associated financial issues, the Board of Governors has determined to discontinue operations of the School effective June 30, 2013.

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 Mr. Dan Lamb, Treasurer at Crittenton Community School, 1515 Indianola Avenue, Columbus, Ohio 43201.

**Crittenton Community School
Franklin County, Ohio
Statement of Net Assets
June 30, 2012**

Assets

Current assets:	
Cash and cash equivalents	\$ 80,623
Receivables:	
Accounts	6,426
Intergovernmental	39,541
Prepayments	<u>718</u>
Total current assets	<u>127,308</u>
Non-current assets -	
Capital assets, net	<u>78,298</u>
Total non-current assets	<u>78,298</u>
	\$ <u>205,606</u>

Liabilities and Net Assets

Current liabilities:	
Accounts payable	\$ 2,769
Accrued wages and related liabilities	32,480
Benefits payable	8,301
Intergovernmental payable	<u>17,369</u>
Total current liabilities	<u>60,919</u>
Net assets:	
Invested in capital assets	78,298
Restricted - other programs	14,067
Unrestricted	<u>52,322</u>
Total net assets	\$ <u>144,687</u>

See accompanying notes to the basic financial statements

**Crittenton Community School
Franklin County, Ohio
Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2012**

Operating revenues:	
Foundation payments	\$ 582,263
Disadvantaged pupil impact aid	4,832
Donations	4,575
Other	<u>6,950</u>
Total operating revenues	<u>598,620</u>
Operating expenses:	
Salaries	640,576
Fringe benefits	188,694
Purchased services	265,387
Materials and supplies	27,228
Depreciation	9,378
Other	<u>18,751</u>
Total operating expenses	<u>1,150,014</u>
Operating loss	<u>(551,394)</u>
Non-operating revenues -	
School grant subsidies	<u>513,382</u>
Total non-operating revenues	<u>513,382</u>
Change in net assets	(38,012)
Net assets beginning of year	<u>182,699</u>
Net assets end of year	<u>\$ 144,687</u>

See accompanying notes to the basic financial statements.

**Crittenton Community School
Franklin County, Ohio
Statement of Cash Flows
For the Year Ended June 30, 2012**

Cash flows from operating activities:	
Cash received:	
Federal and State governments	\$ 607,514
Columbus public schools	19,679
Other operating receipts	5,099
Cash payments:	
Salaries and wages	(922,759)
Suppliers for goods and services	(292,145)
Other expenses	<u>(18,751)</u>
Net cash used in operating activities	<u>(601,363)</u>
Net cash provided by non-capital financing activities -	
Cash received from school grant subsidies	<u>596,008</u>
Net cash provided by non-capital financing activities	<u>596,008</u>
Cash flows from capital and related financing activities -	
Acquisition of capital assets	<u>(6,506)</u>
Net cash used in capital and related financing activities	<u>(6,506)</u>
Net increase (decrease) in cash and cash equivalents	(11,861)
Cash and cash equivalents at beginning of year	<u>92,484</u>
Cash and cash equivalents at end of year	\$ <u>80,623</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (551,394)
Adjustments -	
Depreciation	9,378
Changes in assets and liabilities:	
(Increase) in accounts receivable	(21,290)
Decrease in intergovernmental receivable	15,888
Decrease in prepayments	6,659
(Decrease) in accounts payable	(5,127)
(Decrease) in accrued wages and benefits	(38,962)
Increase in intergovernmental payable	2,004
(Decrease) in benefits payable	<u>(18,519)</u>
Net cash used in operating activities	\$ <u>(601,363)</u>

See accompanying notes to the basic financial statements.

**Crittenton Community School
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

(1) Description of the School

Crittenton Community School (the School) is a nonprofit corporation pursuant to Ohio Revised Code Chapters 3314 and 1702 to maintain and provide a school exclusively for any educational, literary, scientific and related teaching service that qualifies as an 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. Specifically, the School's purpose is to be a model community school serving middle school students in the sixth through ninth grades. The School, which is part of the State's education program, is independent of any school district. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School.

The creation of the School was initially proposed to the Ohio Department of Education by the developers of the School in January 2001. The Ohio Department of Education approved the proposal and entered into a contract with the developers, which provided for the commencement of School operations on August 26, 2002. The School operates under a nine-member Board of Governors (Board). The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualifications of teachers. The Principal of the School under the direction of the CEO, controls the School's one instructional facility staffed by 8 full-time certificated personnel, 12 part-time certificated personnel and the 4 non-certificated personnel (3 full-time and 1 part-time), who provided services to the approximately 77 students.

(2) Summary of Significant Accounting Policies

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (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 School also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The School has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989. The more significant of the School's accounting policies are described below:

Basis of Presentation

The School's basic financial statements consist of a statement of net assets, a statement of revenue, expenses, and changes in net assets, and a statement of cash flows. Enterprise reporting focuses on the determination of the changes in net assets, financial position and cash flows.

Measurement Focus

Enterprise accounting uses a "flow of economic resources" measurement focus. With this measurement focus, all assets and all liabilities are included on the statements of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the School finances and meets the cash flow needs of its enterprise activities.

**Crittenton Community School
Franklin County, Ohio
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2012**

(2) Summary of Significant Accounting Policies, continued

Basis of Accounting

Basis of accounting determines when transactions are recorded 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.

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include certain grants, entitlements and donations. Revenue from non-exchange transactions is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specified 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.

Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in the Ohio Revised Code Chapter 5705, unless specifically provided by the School's contract with its sponsor. The contract between the School and its sponsor, St. Aloysius, does not prescribe a budgetary process for the School; therefore, no budgetary information is presented in the financial statements.

Cash and Investments

All monies received by the School are maintained in a single demand deposit account. Fund integrity is maintained through School records and the Uniform School Accounting System (USAS) accounting system. Total cash for the fund is presented as "cash and cash equivalents" on the accompanying statement of net assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (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.

Capital Assets

Capital assets are recorded at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the dates received. The School maintains a capitalization threshold of one thousand dollars (\$1,000). The School did not capitalize any interest during the fiscal year. Improvements are capitalized while the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's useful life are expensed as incurred. Depreciation of furniture and equipment is computed using the straight-line method over the estimated useful life of the asset, using a half-year in the year of acquisition. Improvements to capital assets are depreciated over the remaining useful lives of the related fixed assets. Useful life ranges are from 5 to 40 years, depending on the asset.

**Crittenton Community School
Franklin County, Ohio
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2012**

(2) Summary of Significant Accounting Policies, continued

Intergovernmental Revenue

The School currently participates in the State Foundation Program and the State Disadvantaged Pupil Impact Aid (DPIA) Program. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. Amounts awarded under the above-named programs totaled \$587,095 for the fiscal year ended June 30, 2012.

Prepayments

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and expensed in the year in which services are consumed.

Net Assets

Net assets represent the difference between assets and liabilities. Invested in capital assets consists of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. Operating expenses represent costs incurred to provide the goods or services to carry out the primary activity of the School. Revenues and expenses not meeting this definition are reported as non-operating.

Economic Dependency

The School receives approximately 97 percent of its operating revenue from the Ohio Department of Education. Due to the significance of this revenue source, the School is considered to be economically dependent on the State of Ohio Department of Education.

Fair Value of Financial Instruments

Generally accepted accounting principles require disclosure of an estimate of the fair value of certain financial instruments. The School's significant financial instruments are cash, accounts receivable and accounts payable. For these financial instruments, carrying values approximate fair value due to their short-term nature.

(3) Change in Accounting Principle

For fiscal year 2012, the School has implemented GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an Amendment of GASB Statement No. 53*.

**Crittenton Community School
Franklin County, Ohio
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2012**

(3) Change in Accounting Principle, continued

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. The implementation of GASB Statement No. 57 did not have an effect on the financial statements of the School.

GASB Statement No. 64 clarifies the circumstances in which a hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The implementation of GASB Statement No. 64 did not have an effect on the financial statements of the School.

(4) Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School's deposits may not be returned. The School does not have a deposit policy for custodial credit risk. At fiscal year end June 30, 2012, the carrying amount of the School's cash and cash equivalents was \$80,623 and the bank balance was \$103,229, the difference representing outstanding checks and deposits in transit. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of June 30, 2012, none of the bank balance was exposed to custodial risk because the entire balance was covered by the Federal Depository Insurance Corporation, which covers deposits up to \$250,000. There are no significant statutory restrictions regarding the deposit and investment of funds by the School.

(5) Related Party Transactions

The School entered into a service agreement dated July 1, 2011 with Directions for Youth and Families Group, Inc. (Group) to provide them with strategic planning and executive managerial support services. Executive services provided by the Group include representing the School's interests with the Board of Governors, the community and various funding sources. Financial services include, but are not limited to, financial statement and budget preparation and accounts payable and payroll preparation.

Executive services also include planning, property management and public relations. Total charges for fiscal year 2012 amounted to \$34,680.

The agreement term is indefinite and shall continue until terminated by either party with 180 days' notice. The monthly fee amount was \$2,890 for fiscal year 2012 and is adjusted annually.

The School is a party to an operating lease agreement for office space with the Group. The lease expired June 30, 2012, but was renewed subsequent to year-end, for an additional year. The total rent expense for this operating lease for fiscal year 2012 was approximately \$46,040.

The summarized financial position of the Group as of June 30, 2011 and 2010 (most current information available) is as follows: total assets of \$7,551,207 and \$7,202,531; total liabilities of \$165,545 and \$115,697; and total net assets of \$7,385,662 and \$7,086,834, respectively. The total change in net assets for the years ended June 30, 2011 and 2010 was \$298,828 and \$337,674, respectively.

**Crittenton Community School
Franklin County, Ohio
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2012**

(6) Capital Assets

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

	Balance 6/30/11	Additions	Deductions	Balance 06/30/12
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and equipment	\$ 39,354	6,506	(7,815)	38,045
Leasehold improvements	77,566	-	-	77,566
Total capital assets, being depreciated	116,920	6,506	(7,815)	115,611
Less: accumulated depreciation:				
Furniture and equipment	(26,055)	(7,438)	7,815	(25,678)
Leasehold improvements	(9,695)	(1,940)	-	(11,635)
Total accumulated depreciation	(35,750)	(9,378)	7,815	(37,313)
Capital assets, net of accumulated depreciation	\$ 81,170	(2,872)	-	78,298

(7) Risk Management

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. The School maintains insurance coverage for rental/theft and general liability, in the amount of \$1,000,000 and officers' liability in the amount of \$3,000,000, which the Board of Governors believes to be adequate.

There were no significant changes in insurance coverage and the School's settlements did not exceed insurance coverage for each of the past three years.

Workers' Compensation

The School paid the Ohio Bureau of Workers' Compensation a premium for employee injury coverage in fiscal year 2012. The premium is calculated by multiplying the monthly gross total payroll by a factor that is calculated by the state.

Employee, Medical, Dental and Vision Benefits

The School provided employee health insurance and dental insurance benefits to full-time certificated and non-certificated personnel during fiscal years 2012. Personnel contribute a portion of the cost of the benefit.

**Crittendon Community School
Franklin County, Ohio
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2012**

(8) Pension Plans

School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute at an actuarially determined rate. The current School rate is 14 percent of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2012, 12.65 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$12,987 \$9,896 and \$10,770, respectively; 84.72 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

State Teachers Retirement System of Ohio

Plan Description - The School participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org, under "Publications".

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

**Crittenton Community School
Franklin County, Ohio
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2012**

(8) Pension Plans, continued

Funding Policy - For fiscal year 2012, plan members were required to contribute 10 percent of their annual covered salaries. The School was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011 and 2010 were \$74,476, \$103,038 and \$82,314, respectively; 100 percent has been contributed for fiscal years 2012, 2011 and 2010. Contributions to the DC and Combined Plans for fiscal year 2012 were \$1,895 made by the School and \$1,353 made by the plan members.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2012, certain members of the Board of Trustees have elected Social Security. The School's liability is 6.2 percent of wages paid.

(9) Post Employment Benefits

School Employees Retirement System

Plan Description - The School participates in two cost-sharing, multiple employer postemployment benefit plans administered by the SERS for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2012 was \$99.90 for most participants, but could be as high as \$319.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2012, 0.55 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2012, the actuarially determined amount was \$35,800.

**Crittenton Community School
Franklin County, Ohio
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2012**

(9) Post Employment Benefits, continued

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

The School's contributions for health care (including surcharge) for the fiscal years ended June 30, 2012, 2011 and 2010 were \$1,692, \$2,328 and \$438, respectively; 84.72 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2012, this actuarially required allocation was 0.75 percent of covered payroll. The School's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010 were \$767, \$637 and \$724, respectively; 84.72 percent has been contributed for fiscal year 2012 and 100 percent has been contributed for fiscal years 2011 and 2010.

State Teachers Retirement System of Ohio

Plan Description - The School contributes to the cost sharing, multiple employer defined benefit Health Plan (the Plan) administered by the STRS Ohio for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org, under "Publications" or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School's contributions for health care for the fiscal years ended June 30, 2012, 2011 and 2010 were \$5,729, \$7,926 and \$6,275, respectively; 100 percent has been contributed for fiscal years 2012, 2011 and 2010.

(10) Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave components are derived from School policy and state laws. All employees are at-will employees and do not have contracts as employees in traditional school districts. Salaried employees accrue sick time of 12 days per calendar year. Hourly rate employees do not accrue leave and are paid based upon hours worked only. Upon separation of service, sick and vacation time is not paid.

(11) Contingencies

Grants

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

The School received financial assistance from federal and state agencies in the form of grants. The use of funds received under these programs generally requires compliance with terms and conditions specified in the grant

Crittenton Community School
Franklin County, Ohio
Notes to the Basic Financial Statements, continued
For the Fiscal Year Ended June 30, 2012

(11) Contingencies, continued

Grants, continued

agreements and is subject to audit by the grantor agencies. Such audits also include the Auditor of State's ongoing review of student attendance data. Any disallowed claims resulting from such audits could become a liability; however, the effect of any such disallowed claims on the overall financial position of the School at June 30, 2012, if applicable, cannot be determined at this time.

Litigation

The School is involved in no litigation as either plaintiff or defendant.

(12) Purchased Services

Purchased services expenses for the fiscal year ended June 30, 2012 were as follows:

Professional and technical services	\$ 91,099
Property services	53,459
Travel mileage/meeting expenses	2,851
Communications	3,380
Other	<u>114,598</u>
Total	\$ <u>265,387</u>

(13) Full-Time Equivalency

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 that the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. As a result of the fiscal year ended June 30 2012 reconciliation, it was determined that \$4,531 was due from the School. This amount has been recorded as a component of "intergovernmental payable" at June 30, 2012.

(14) Subsequent Events

Due to enrollment and the associated financial issues, the Board of Governors has determined to discontinue operations of the School effective June 30, 2013.

**Crittenton Community School
Franklin County, Ohio
Schedule of Expenditure of Federal Awards
For the Year Ended June 30, 2012**

<u>Federal Grantor/Pass Through Grantor/Program Title:</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>		
Passed through from the Ohio Department Education:		
School Improvement Grants, Recovery Act	84.388	\$ 223,329
Twenty-First Century Community Learning Centers	84.287	205,756
Title I Grants to Local Education Agencies	84.010	69,869
Education Jobs Fund, Recovery Act	84.410	32,005
Special Education Grants to States	84.027	28,309
Race to the Top State Grants, Recovery Act	84.395	14,991
Improving Teacher Quality State Grants	84.367	822
Education Technology State Grants	84.318	349
State Fiscal Stabilization Fund, Recovery Act	84.394	<u>199</u>
Total expenditure of federal awards		\$ <u>575,629</u>

Notes to the Schedule of Expenditure of Federal Awards

Note 1: Basis of Presentation

The Schedule of Expenditure of Federal Awards (the Schedule) presented above includes the federal grant activity of Crittenton Community School (the School). The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the support, revenue, expenses and changes in net assets or cash flows of the School.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized when incurred and in accordance with the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Subrecipients

Of the federal expenditures presented in the Schedule, no federal awards were provided to subrecipients.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants
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Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Governors
Crittenton Community School
Franklin County, Ohio

To the Board of Governors:

We have audited the financial statements of the Crittenton Community School (the School) as of and for the year ended June 30, 2012, which collectively comprise the School's basic financial statements and have issued our report thereon dated February 1, 2013, wherein we noted the School is discontinuing operations as of June 30, 2013 and the School adopted Governmental Accounting Standards Board Statements No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an Amendment of GASB Statement No. 53*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the School's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as Finding Number 2012-01.

We also noted certain matters not requiring inclusion in this report that we reported to the School's management in a separate letter dated February 1, 2013.

The School's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the School's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Governors, management, the School's sponsor, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wolf, Rogers, Dickey & Co.
Certified Public Accountants

February 1, 2013

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

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Independent Auditors' Report On Compliance With Requirements That Could Have a Direct and Material Effect On Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133

Board of Governors
Crittenton Community School
Franklin County, Ohio

Compliance

We have audited Crittenton Community School's (the School's) compliance with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2012. The School's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School's management. Our responsibility is to express an opinion on the School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on 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 that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying Schedule of Findings and Questioned Costs lists this instance as Finding Number 2012-01.

Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely

basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2012-01. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

This report is intended solely for the information and use of management, others within the entity, the Board of Governors, the School's sponsor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Wolf, Rogers, Dickey & Co.
Certified Public Accountants

Delaware, Ohio
February 1, 2013

**Crittenton Community School
Franklin County, Ohio
Schedule of Findings and Questioned Costs
OMB Circular A-133 §505
For the Year Ended June 30, 2012**

I. Summary of Auditors' Results

- a. The auditors' report expresses an unqualified opinion related to financial statements of the School.
- b. No significant deficiencies or material weaknesses were noted during the audit of the financial statements.
- c. No instances of noncompliance material to the financial statements of the School were disclosed during the audit.
- d. A significant deficiency in internal control over major Federal award programs was disclosed. No material weaknesses in internal control over major Federal award programs were disclosed.
- e. The auditors' report on compliance for the major Federal award programs for the School expresses an unqualified opinion.
- f. There was a reportable audit finding under Section 510(a) of OMB Circular A-133.
- g. Major programs: U.S. Department of Education School Improvement Grants, Recovery Act (CFDA #84.388) and Title I Grants to Local Education Agencies (CFDA #84.010)
- h. The threshold for distinguishing Type A and Type B programs was \$300,000.
- i. The School was not a low-risk auditee.

II. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

None

III. Federal Award Findings and Questioned Costs

U.S. Department of Education – Title I Grants to Local Education Agencies

Finding Number 2012-01
Noncompliance/Significant Deficiency

Applicable compliance requirement: Special Tests and Provisions

Questioned Costs: None

Under Title I requirements, a local education agency (LEA) must ensure that all teachers hired after the first day of the 2002-2003 school year who teach core academic subjects in a program supported with funds under Title I are highly qualified to teach those subjects as defined in 34 CFR Sections 200.55 and 200.56. Additionally, by the end of the 2005-2006 school year, the LEA needed to ensure that all teachers of core academic subjects were highly qualified.

During our audit, we noted that Crittenton Community School (CCS) is not in compliance with the Title I Highly Qualified Teacher (HQT) requirement, since not all teachers are considered highly qualified as defined in 34 CFR Sections 200.55 and 200.56.

We recommend that the School develop procedures to ensure that newly hired teachers, teachers new to the building, or teachers in a new teaching assignment are highly qualified teachers in that core subject. Procedures should ensure that newly hired teachers, teachers new to the building, or teachers in a new teaching assignment complete or provide copies of the appropriate highly qualified teacher worksheet forms for their current teaching assignment. The School should also develop and implement individualized plans for teachers who are not highly qualified.

**Crittenton Community School
Franklin County, Ohio
Schedule of Findings and Questioned Costs, continued
OMB Circular A-133 §505
For the Year Ended June 30, 2012**

Finding Number 2012-01, continued
Noncompliance/Material Weakness

Corrective action plan:

Due to enrollment and the associated financial issues, the Board of Governors has determined to discontinue operations of the School effective June 30, 2013. As such, the Board has not provided a corrective action plan.

**Crittenton Community School
Franklin County, Ohio
Schedule of Prior Audit Findings
June 30, 2012**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: <u>Explain:</u>
11-01	Not meeting Highly Qualified Teacher standards	No	Repeated as Finding Number 2012-01.



Dave Yost • Auditor of State

CRITTENTON 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
MAY 16, 2013