



**Mary Taylor, CPA**  
Auditor of State



# PINNACLE ACADEMY CUYAHOGA COUNTY

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Pinnacle Academy  
Cuyahoga County  
840 East 222<sup>nd</sup> Street  
Euclid, Ohio 44123

To the Board of Trustees:

We have audited the accompanying basic financial statements of the Pinnacle Academy, Cuyahoga County, Ohio, (the Academy), as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the contract service fees incurred by the Academy which totaled \$6,173,484 as indicated in Note 10 to the basic financial statements. Other auditors audited these amounts and have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included in Note 10, on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Pinnacle Academy, Cuyahoga County, Ohio, as of June 30, 2009, and the changes in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2010, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the Academy's basic financial statements. The accompanying federal awards receipts and expenditures schedule is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

January 22, 2010

# **PINNACLE ACADEMY CUYAHOGA COUNTY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2009 – unaudited**

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The discussion and analysis of Pinnacle Academy's (the "Academy") financial performance provides an overall review of the Academy's financial activities through June 30, 2009. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the financial statements and notes to the financial statements to enhance their understanding of the Academy's financial performance.

The Management's Discussion and Analysis ("MD&A") is an element of the reporting model adopted by the Governmental Accounting Standards Board ("GASB") in their Statement No. 34 Financial Statements – and Management's Discussion and Analysis – for State and Local Government issued June, 1999.

### **Financial Highlights**

For the fiscal year ended June 30, 2009, total assets were \$291,000, total liabilities were \$251,570, and total net assets were \$39,430.

### **Using this Financial Report**

This report consists of three parts, the MD&A, the financial statements, and notes to those statements. The basic financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows.

### **Reporting the Academy as a Whole**

One of the most important questions asked about the Academy is, "As a whole, what is the Academy's financial condition as a result of the year's activities?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets, which appear first in the Academy's financial statements, report information on the Academy as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Academy's net assets – the difference between assets and liabilities, as reported in the Statement of Net Assets – as one way to measure the Academy's financial health or financial position. Over time, increases or decreases in the Academy's net assets – as reported in the Statement of Net Assets – are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Academy's operating results. However, the Academy's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the school, to assess the overall health of the Academy.

**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009 – unaudited (continued)**

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The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets report the activities for the Academy, which encompass all the Academy's services, including instruction, support services, community services, and food services. Unrestricted state aid and state and federal grants finance most of these activities. The Academy has entered into a management agreement (the "agreement") with National Heritage Academies, Inc. ("NHA") which requires NHA to provide administration, strategic planning and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facility in which the Academy operates. Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the Academy from all revenue sources.

The table below provides a summary of the Academy's net assets for fiscal years ended June 30:

	<b>2009</b>	<b>2008</b>
Assets:		
Current assets	\$ 264,406	\$ 215,396
Capital assets, net of accumulated depreciation	<u>26,594</u>	<u>42,062</u>
Total assets	291,000	257,458
Liabilities—current	<u>251,570</u>	<u>169,977</u>
Net assets:		
Invested in capital assets	26,594	42,062
Unrestricted	<u>12,836</u>	<u>45,419</u>
Total net assets	<u>\$ 39,430</u>	<u>\$ 87,481</u>

The unrestricted net assets represent the accumulated results of the Academy's operations to date. These assets can be used to finance day to day operations without constraints, such as legislative or legal requirements. The results of the current year operations for the Academy as a whole are reported in the Statement of Revenues, Expenses and Changes in Net Assets, which shows the change in net assets.



**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009 – unaudited (continued)**

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**Statement of Revenues, Expenses and Changes in Net Assets**

The table below shows the changes in net assets as well as a listing of revenues and expenses for the fiscal years ending June 30:

	<b>2009</b>	<b>2008</b>
Operating revenues:		
Foundation payments	\$ 4,663,521	\$ 4,473,555
Food services	32,683	39,615
Other revenues	<u>7,462</u>	<u>11,800</u>
Total operating revenues	<u>4,703,666</u>	<u>4,524,970</u>
Operating expenses:		
Depreciation	15,468	15,356
Contracted service fee	<u>6,173,484</u>	<u>6,061,337</u>
Total operating expenses	<u>6,188,952</u>	<u>6,076,693</u>
Operating loss	(1,485,286)	(1,551,723)
Nonoperating revenues:		
Federal grants	911,523	714,583
State grants	17,018	11,587
Private sources—NHA	<u>508,694</u>	<u>807,529</u>
Total nonoperating revenues	<u>1,437,235</u>	<u>1,533,699</u>
Change in net assets	<u>\$ (48,051)</u>	<u>\$ (18,024)</u>

As reported in the Statement of Revenues, Expenses and Changes in Net Assets, the cost of business activities was \$6,188,952. These activities were primarily funded by the Academy's state aid (based on student count) and governments and organizations that subsidized certain programs with grants. Revenues—Private sources—NHA represent a credit granted by NHA for the excess of Academy expenses over public revenues available.

The Academy experienced a decrease in net assets of \$48,051 in 2009. Under the terms of the agreement with NHA, NHA provides a spending account to the Board of Directors for discretionary expenditures. The primary reason for the change in net assets is the timing of these discretionary expenditures.

**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009 – unaudited (continued)**

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**Capital Assets**—At June 30, 2009, the Academy had \$26,594 invested in capital assets with purchases through the Charter School Grant, primarily other equipment. Capital assets are substantially provided as part of the agreement with NHA.

***General Economic Factors***

The Academy depends on legislative and governmental support to fund its operations. Based on information currently available, no significant changes are expected to occur in the nature of the funding or operations of the Academy in 2010.

***Contacting the Academy's Financial Management***

The financial report is designed to provide users of the report with a general overview of the Academy's finances and to demonstrate the Academy's accountability for the money it receives. If you have questions about this report, contact the Chief Financial Officer of National Heritage Academies, Inc., 3850 Broadmoor SE, Ste. 201, Grand Rapids, MI 49512.

**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**STATEMENT OF NET ASSETS  
JUNE 30, 2009**

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CURRENT ASSETS:

Cash	\$ 12,841
Intergovernmental receivable	<u>251,565</u>
Total current assets	<u>264,406</u>

NON-CURRENT ASSETS:

Capital assets	68,144
Less: accumulated depreciation	<u>(41,550)</u>
Total non-current assets	<u>26,594</u>

Total assets	<u>291,000</u>
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LIABILITIES—

Due to National Heritage Academies, Inc.	<u>251,570</u>
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NET ASSETS:

Invested in capital assets	26,594
Unrestricted	<u>12,836</u>
Total net assets	<u>\$ 39,430</u>

See notes to financial statements.

**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2009**

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OPERATING REVENUES:	
Foundation payments	\$ 4,663,521
Food services	32,683
Other revenues	<u>7,462</u>
Total operating revenues	<u>4,703,666</u>
OPERATING EXPENSES:	
Depreciation	15,468
Contracted service fee	<u>6,173,484</u>
Total operating expenses	<u>6,188,952</u>
OPERATING LOSS	<u>(1,485,286)</u>
NONOPERATING REVENUES:	
Federal grants	911,523
State grants	17,018
Private sources—National Heritage Acadmies, Inc.	<u>508,694</u>
Total nonoperating revenue	<u>1,437,235</u>
CHANGE IN NET ASSETS	(48,051)
NET ASSETS—Beginning of year	<u>87,481</u>
NET ASSETS—End of year	<u>\$ 39,430</u>

See notes to financial statements.

**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2009**

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CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from State of Ohio	\$ 4,663,521
Cash received from food services	32,683
Cash received from other operating revenue	7,462
Cash paid on behalf of the Academy for goods and services	<u>(6,091,356)</u>
Net cash used for operating activities	<u>(1,387,690)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Federal grants received	829,395
State grants received	17,018
Support from private sources—National Heritage Academies, Inc.	<u>508,694</u>
Net cash provided by noncapital financing activities	<u>1,355,107</u>

NET DECREASE IN CASH (32,583)

CASH—Beginning of year 45,424

CASH—End of year \$ 12,841

RECONCILIATION OF OPERATING LOSS TO NET CASH  
USED FOR OPERATING ACTIVITIES:

Operating Loss	\$ (1,485,286)
Depreciation	15,468
Changes in Assets and Liabilities—	
Change in due to National Heritage Academies, Inc	<u>82,128</u>
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (1,387,690)</u>

See notes to financial statements.

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# PINNACLE ACADEMY CUYAHOGA COUNTY

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2009

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### 1. NATURE OF OPERATIONS

Pinnacle Academy (the “Academy”) is an Ohio Public School Academy which provides education based on rigorous teaching methods, parental involvement, student responsibility, and basic moral values. The Academy operates under an approved charter received from Lucas County Educational Service Center (“LCESC” or the “Sponsor”), which is responsible for oversight of the Academy’s operations. The charter’s term ends on May 30, 2011 at which time it will automatically renew on a year-to-year basis, unless at least 90 days written notice is given by either the Academy or LCESC. The Academy provides education to students in kindergarten through the eighth grade, at no cost to the parent. Enrollment is open to all appropriately aged children without regard to gender, ethnic background, disability, and/or religious affiliation.

The Academy was established and is operated as a non-profit corporation under Chapter 1702 of the Ohio Revised Code and believes itself to be exempt from taxation under Internal Revenue Code Section 115(1) because its income is derived from the exercise of an essential governmental function and accrues to the State of Ohio. Donations to the Academy qualify as a charitable deduction under Internal Revenue Code Section 170(c)(1).

The Academy operates under the direction of a Board of Directors (the “Board”). The Board is responsible for carrying out the provisions of the contract with the Sponsor which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

The Board has entered into a management agreement (the “agreement”) with National Heritage Academies, Inc. (“NHA”) which requires NHA to provide administration, strategic planning and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facility in which the Academy operates. The facility lease term is from July 1<sup>st</sup> to June 30<sup>th</sup> and is renewable on a year to year basis. The agreement will automatically renew on a year-to-year basis, unless at least 90 days written notice of intent to terminate or renegotiate is given by either the Academy or NHA.

Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the Academy from all revenue sources. NHA provides a spending account to the Board for discretionary expenses on an annual basis. Revenues—private sources—National Heritage Academies, Inc. represent a contribution granted by NHA for the excess of Academy expenses over public revenues available.

# PINNACLE ACADEMY CUYAHOGA COUNTY

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2009

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Academy 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 Academy 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 Academy does not apply FASB statements or interpretations issued after November 30, 1989. The more significant of the Academy’s accounting policies are described below.

#### A. Basis of Presentation

The Academy’s basic financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows. Enterprise fund reporting focuses on the determination of the change in net assets, financial position, and cash flows.

#### B. Measurement Focus

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

#### C. Basis of Accounting

Basis of Accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Academy’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 Academy receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations 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 purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

Expenses are recognized at the time they are incurred.



**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2009**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process**

The contract between the School and its Sponsor prescribes an annual budget requirement in addition to preparing a 5-year forecast, which is to be updated on an annual basis. Chapter 5705.391(A) of the Ohio Revised Code also requires the School to prepare a 5-year forecast, update it annually, and submit it to the Superintendent of Public Instruction at the Ohio Department of Education.

**E. Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**F. Cash Deposits**

For cash management, all cash received by the Chief Financial Officer is pooled in a non-interest bearing central bank account. Total cash for the Academy is presented as "Cash" on the accompanying Statement of Net Assets. Cash as of June 30, 2009, represents bank deposits, which are covered by federal depository insurance.

**G. Capital Assets**

Capital assets, which include other equipment, are reported in the government-wide financial statements at historical cost. Capital assets represent purchases through the Charter School Grant with an estimated useful life in excess of one year.

Other equipment is depreciated using the straight-line method over useful lives of 3-10 years.

**H. Current Liabilities**

**Due to National Heritage Academies, Inc.**—this amount consists of payments due to NHA for management services rendered in fiscal year 2009.

**I. Operating Revenues and Expenses**

**Intergovernmental Revenues**—the Academy currently participates in the State Foundation Program, the State Disadvantaged Pupil Impact Aid ("DPIA") Program, and the State Special Education Program. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2009**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Grants and entitlements are recognized as non-operating revenue in the accounting period in which all eligibility requirements have been met.

Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the fiscal year when use is permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

**J. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At fiscal year end June 30, 2009, the Academy had no restricted net assets.

**3. DEPOSITS AND INVESTMENTS**

At fiscal year end June 30, 2009, the Academy's bank balance was \$13,972. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2009, none of the bank balance was exposed to custodial risk as discussed below, all of the bank balance was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the Academy will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Bank or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Academy.

**4. RECEIVABLES**

Receivables at June 30, 2009, consisted of intergovernmental grants. All receivables are considered collectible in full and will be received within one year.

**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2009**

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**4. RECEIVABLES (Continued)**

A summary of the principal items of receivables follows:

	Amounts
Title I	\$ 153,182
Title I School Improvement	43,345
Title IIA	14,117
Title IID	2,439
Title V	1,250
IDEA Part B	25,442
National School Lunch and Breakfast	<u>11,790</u>
Total governmental activities capital assets, net	<u>\$ 251,565</u>

**5. CAPITAL ASSETS**

Capital asset activity of the Academy's governmental activities was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities—				
Other equipment	\$ 68,144	\$ -	\$ -	\$ 68,144
Total capital assets at historical cost	68,144	-	-	68,144
Less accumulated depreciation—				
Other equipment	<u>(26,082)</u>	<u>(15,468)</u>	<u>-</u>	<u>(41,550)</u>
Total accumulated depreciation	<u>(26,082)</u>	<u>(15,468)</u>	<u>-</u>	<u>(41,550)</u>
Total governmental activities capital assets, net	<u>\$ 42,062</u>	<u>\$ (15,468)</u>	<u>\$ -</u>	<u>\$ 26,594</u>

**6. DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

Plan Description—NHA, on behalf of certain employees at the Academy, contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability 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 43215-3476.

# PINNACLE ACADEMY CUYAHOGA COUNTY

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2009

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### 6. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy—Plan members are required to contribute 10 percent of their annual covered salary and NHA is required to contribute at an actuarially determined rate. The current NHA rate is 14 percent of annual covered payroll. A portion of NHA's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. 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. NHA's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007, were \$42,900, \$41,489 and \$34,125, respectively; and 100 percent was contributed for each fiscal year.

#### **B. State Teachers Retirement System**

Plan Description—NHA, on behalf of teachers at the Academy, participates in the State Teachers Retirement System of Ohio ("STRS Ohio"), a cost-sharing, multiple-employer public employee retirement system. 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 East Broad St., Columbus, Ohio 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

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 contributions and earned interest matched by STRS Ohio funds times 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.

# PINNACLE ACADEMY CUYAHOGA COUNTY

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2009

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### 6. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy—For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. NHA was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2008, the portion used to fund pension obligations was also 13 percent. 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.

NHA's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were \$256,226, \$242,452, and \$201,880 respectively; 100 percent has been contributed for each fiscal year. Contributions to the DC and Combined Plans for fiscal year 2009 were \$4,254 made by the Academy and \$18,651 made by the plan members.

### 7. POST-EMPLOYMENT BENEFITS

#### A. School Employees Retirement System

Plan Description—The Academy participates in two cost-sharing multiple employer defined benefit OPEB 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 and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. 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.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit and to disability and survivor benefit recipients. All members must pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. A safety net is in place for retirees whose household income falls below federal poverty levels. Premiums are reduced by 50 percent for those who apply.

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 401h. For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, this amount was \$35,800.

# PINNACLE ACADEMY CUYAHOGA COUNTY

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2009

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### 7. POST-EMPLOYMENT BENEFITS (CONTINUED)

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The Academy's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$12,809, \$12,388 and \$11,768 respectively; 100 percent was contributed in each fiscal year.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The Academy's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$2,298, \$1,956 and \$1,658 respectively; 100 percent was contributed in each fiscal year.

#### **B. State Teachers Retirement System**

Plan Description—The Academy contributes to the cost sharing multiple employer defined benefit Health 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](http://www.strsoh.org) 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 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Academy's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$18,302, \$17,318, and \$14,420 respectively; 100 percent has been contributed in each fiscal year.

### 8. RISK MANAGEMENT

The Academy is exposed to various risks of loss related to general liability. Commercial insurance policies to cover certain risks of loss have been obtained through Indiana Insurance Company. General liability coverage provides \$1,000,000 per occurrence and \$5,000,000 in the aggregate with no deductible. The Indiana Insurance Company also provides umbrella liability coverage of \$1,000,000 per occurrence, as well as, in the aggregate. There have been no significant reductions in insurance coverage during fiscal year 2009, and claims did not exceed coverage during the past three fiscal years.

**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2009**

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**9. CONTINGENCIES**

**A. Grants**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts, which may be disallowed, if any, are not presently determinable. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the financial position of the Academy.

**B. State Funding**

The Ohio Department of Education conducts reviews of enrollment data and 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 results of this review could result in the State funding being adjusted. The Academy does not anticipate any material adjustments to State funding for fiscal year 2009, as a result of such a review.

**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2009**

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**10. CONTRACTED SERVICE FEE**

NHA incurred the following actual direct and indirect expenses on behalf of the Academy for the year ended June 30, 2009:

Direct Expenses:

Salaries, wages and benefits	\$ 2,799,393
Professional and technical services	488,308
Property services	1,158,905
Travel	103,607
Utilities	101,460
Contracted (trade) services	34,315
Purchased services	46,635
Books, periodicals and films	102,882
Food and related supplies	298,483
Supplies	148,402
Insurance and property taxes	12,999
Field trips and student activities	30,809
Equipment lease and purchases	<u>141,587</u>
Total Direct Expenses	5,467,785
Total Indirect Expenses (Overhead)	<u>705,699</u>
Total Contracted Service Fee	<u><u>\$ 6,173,484</u></u>

NHA charges expenses benefiting more than one school (i.e. indirect overhead expenses) based on key cost drivers. These charges represent indirect cost of services provided in the operation of the Academy. Such services include, but are not limited to facilities management, equipment, operational support services, management and management consulting, board relations, human resources management, training and orientation, financial reporting and compliance, purchasing and procurement, education services, technology support and marketing and communications.

**11. SPONSORSHIP AGREEMENT**

The Academy entered into a sponsorship agreement with the LCESC. This agreement provides that LCESC receives approximately one percent of State Foundation funds received by the Academy from the State of Ohio. This amounted to \$46,635 for fiscal year 2009.



**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2009**

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**12. OPERATING LEASE**

The Academy has entered into a sub-lease agreement with National Heritage Academies for a facility to house the Academy. The lease term is from July 1, 2008 through June 30, 2009. Annual rental payments required by the lease are \$911,520, payable in twelve monthly payments of \$75,960. This lease is renewable on a year to year basis.

The Academy subsequently renewed the sub-lease with National Heritage Academies on May 8, 2009 for the period of July 1, 2009 through June 30, 2010 at a annual rate of \$953,280, payable in twelve monthly payments of \$79,440.

The Academy did not pay any property taxes related to the facility during fiscal 2009.

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**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009**

Federal Grantor/Pass-Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
U.S. Department of Education—				
Passed through the Ohio Department of Education:				
Title I Grants to Local Educational Agencies	2008	84.010	\$ 79,133	\$ 52,269
	2009		<u>322,429</u>	<u>402,827</u>
			401,562	455,096
Title I School Improvement	2009	84.010	16,655	19,919
Title II Improving Teacher Quality	2009	84.367	10,621	10,169
Title IID Technology Education	2008	84.318	2,147	-
	2009		<u>1,651</u>	<u>1,651</u>
			3,798	1,651
Title IV Safe & Drug Free Schools	2008	84.186	(370)	-
Title V LEA Allocation	2008	84.298	980	1,066
			<u>44</u>	<u>443</u>
			1,024	1,509
Special Education Cluster—				
IDEA Preschool	2008	84.173	746	-
IDEA Part B	2008	84.027	-	79
	2009		<u>107,942</u>	<u>107,942</u>
			<u>107,942</u>	<u>108,021</u>
Total U.S. Department of Education			<u>541,978</u>	<u>596,365</u>
U.S. Department of Agriculture—				
Passed through the Ohio Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance:				
National School Lunch Program—	2009	10.555	<u>13,614</u>	<u>13,614</u>
Total Non-Cash Assistance			13,614	13,614

(Continued)

**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009 (CONTINUED)**

Federal Grantor/Pass-Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
U.S. Department of Agriculture—				
Passed through the Ohio Department of Education:				
Child Nutrition Cluster:				
Cash Assistance:				
National School Breakfast Program	2008	10.553	7,780	-
	2009		<u>58,842</u>	<u>61,796</u>
			66,622	61,796
National School Lunch Program	2008	10.555	25,082	-
	2009		<u>182,099</u>	<u>190,935</u>
			207,181	190,935
Total Cash Assistance			<u>273,803</u>	<u>252,731</u>
Total U.S. Department of Agriculture			<u>287,417</u>	<u>266,345</u>
Total			<u>\$ 829,395</u>	<u>\$ 862,710</u>

See note to supplemental schedule of expenditures of federal awards.

**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**NOTE TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009**

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**A. BASIS OF PRESENTATION**

The accompanying Supplemental Schedule of Expenditures of Federal Awards is presented in accordance with the U.S. Office of Management and Budget (“OMB”) Circular A-133 and is prepared using the cash basis of accounting.

**B. CHILD NUTRITION CLUSTER**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

**C. FOOD DONATION PROGRAM**

Program regulations do not require the Academy to maintain separate inventory records for purchased food versus food commodities it receives from the U.S. Department of Agriculture. The Academy reports commodities consumed on the Schedule at the fair value.

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# Mary Taylor, CPA

Auditor of State

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

Pinnacle Academy  
Cuyahoga County  
840 East 222<sup>nd</sup> Street  
Euclid, Ohio 44123

To the Board of Trustees:

We have audited the basic financial statements of Pinnacle Academy, Cuyahoga County, Ohio, (the Academy) as of and for the year ended June 30, 2009 and have issued our report thereon dated January 22, 2010 which indicated that the amounts presented in Note 10 were audited by other auditors. 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 Academy's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Academy's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Academy's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Academy's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Academy's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Academy's internal control will not prevent or detect a material financial statement misstatement.

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

### **Compliance and Other Matters**

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

We intend this report solely for the information and use of the audit committee, management, Board of Trustees, the Community School's sponsor, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

January 22, 2010





# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Pinnacle Academy  
Cuyahoga County  
16005 Terrace Road  
East Cleveland, Ohio 44112

To the Board of Trustees:

#### Compliance

We have audited the compliance of Pinnacle Academy, Cuyahoga County, Ohio, (the Academy) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the Academy's major federal program. The Academy's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Academy'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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Academy's compliance with those requirements.

In our opinion, Pinnacle Academy, Cuyahoga County, Ohio complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2009.

#### Internal Control Over Compliance

The Academy's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Academy's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Academy's internal control over compliance.

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A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Academy's ability to administer a federal program such that there is more than a remote likelihood that the Academy's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Academy's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

We intend this report solely for the information and use of the audit committee, management, Board of Trustees, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

January 22, 2010

**PINNACLE ACADEMY  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2009**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title I – 84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# Mary Taylor, CPA

Auditor of State

## Independent Accountants' Report on Applying Agreed-Upon Procedures

Pinnacle Academy  
Cuyahoga County  
16005 Terrace Road  
East Cleveland, Ohio 44112

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 Pinnacle Academy (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. We noted the Board adopted an anti-harassment policy at its meeting on June 3, 2005.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
  - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
  - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
  - (3) A procedure for reporting prohibited incidents;
  - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
  - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
  - (6) A procedure for documenting any prohibited incident that is reported;

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- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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.



**Mary Taylor, CPA**  
Auditor of State

January 22, 2010



Mary Taylor, CPA  
Auditor of State

PINNACLE ACADEMY

CUYAHOGA COUNTY

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MARCH 30, 2010