



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

PROFICIENCY ACHIEVEMENT SUCCESS SKILLS COMMUNITY SCHOOL
LUCAS COUNTY

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Proficiency Achievement Success Skills Community School
Lucas County
c/o Lucas County Educational Service Center
415 Emerald Avenue, 2nd Floor
Toledo, Ohio 43602-1817

To the Sponsor:

We were engaged to audit the Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balance of the Proficiency Achievement Success Skills Community School, Lucas County, Ohio, (P.A.S.S.) for the year ended June 30, 2001. These financial statements are the responsibility of P.A.S.S.'s management.

Management declined to provide certain written representations which are required by *Government Auditing Standards*.

Because management did not provide us with written representations, the scope of our work was not sufficient to express, and we do not express, an opinion on the financial statements referred to in the first paragraph, above.

Ohio Administrative Code Section 117-6-01 (B) requires P.A.S.S. to prepare its annual financial report in accordance with accounting principles generally accepted in the United States. As discussed in Note 2, P.A.S.S. chose to prepare its financial statements on a comprehensive basis of accounting other than generally accepted accounting principles. The accompanying financial statements omit certain assets, liabilities, and fund equities.

As discussed in Note 1, P.A.S.S. ended its operation on May 21, 2001, upon receipt of the notice of termination of its sponsorship agreement. The sponsor officially closed P.A.S.S. at the end of fiscal year 2001. All remaining assets have reverted to the sponsor and subsequent to closing, the sponsor has paid all known liabilities except for audit fees amounting to \$6,936. As of the date of this report, P.A.S.S. and its fiscal agent, Lucas County Educational Service Center, have yet to pay fees amounting to \$6,936. These fees have been referred to the Department of Education for collection.

As discussed in Note 12 to the financial statements, P.A.S.S. has applied for tax exempt status under Section 501(c)(3) of the Internal Revenue Code and was denied exemption from Federal income tax by the Internal Revenue Service.

This report is intended solely for the information and use of the Sponsor as authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than this specified party.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

June 5, 2002

**PROFICIENCY ACHIEVEMENT SUCCESS SKILLS COMMUNITY SCHOOL
LUCAS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FOR THE YEAR ENDED JUNE 30, 2001**

Operating Cash Receipts:	
Foundation Payments	\$136,446
Disadvantaged Pupil Impact Aid	<u>3,000</u>
Total Operating Cash Receipts	<u>139,446</u>
Operating Cash Disbursements:	
Salaries	75,512
Fringe Benefits	17,024
Purchased Services	53,929
Materials and Supplies	19,049
Capital Outlay	376
Other Operating Expenses	<u>6,258</u>
Total Operating Cash Disbursements	<u>172,148</u>
Excess of Operating Cash Receipts (Under) Operating Cash Disbursements	<u>(32,702)</u>
Non-Operating Cash Receipts:	
Interest Earnings	705
Grants - Federal	15,316
Miscellaneous	<u>113</u>
Total Non-Operating Cash Receipts	<u>16,134</u>
Excess of Cash Receipts (Under) Cash Disbursements	(16,568)
Fund Cash Balance at Beginning of Year	<u>18,021</u>
Fund Cash Balance at End of Year	<u><u>\$1,453</u></u>

The notes to the financial statements are an integral part of this statement.

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**PROFICIENCY ACHIEVEMENT SUCCESS SKILLS COMMUNITY SCHOOL
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001**

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Proficiency Achievement Success Skills Community School, Lucas County, (P.A.S.S.) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. P.A.S.S.'s objective is to provide intervention services to students who need assistance to reach proficiency levels required by state mandated testing. This program is offered for students in fifth grade. P.A.S.S. , which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. P.A.S.S. may acquire facilities as needed and contract for any services necessary for the operation of the school.

P.A.S.S. was approved for operation under a contract with the Lucas County Educational Service Center (the Sponsor) for a period of five years commencing July 23, 1999. The Sponsor is responsible for evaluating the performance of P.A.S.S. and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. The sponsorship agreement states the Treasurer of Lucas County Educational Service Center shall serve as the Chief Financial Officer of P.A.S.S., (see Note 10).

Except as described in the next paragraph, P.A.S.S. operated under the direction of a four-member Governing Board. The Governing Board was 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 Governing Board controlled P.A.S.S.'s one instructional/support facility staffed by 3 non-certified and 2 certified full time teaching personnel who provides services to 25 students.

CLOSING OF THE SCHOOL

P.A.S.S. ended its operation on May 21, 2001, upon receipt of the notice of termination of sponsorship agreement. The sponsor officially closed the school at the end of the fiscal 2001 school year. In accordance with the sponsorship agreement, all remaining assets have reverted to the sponsor and subsequent to closing, the sponsor has paid all known liabilities except for audit fees amounting to \$6,936.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Although required by Ohio Administrative Code Section 117-6-01 (B) to prepare its annual financial report in accordance with accounting principles generally accepted in the United States, P.A.S.S. chose to prepare its financial statements on a basis of accounting that is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

B. Budgetary Process

Unlike other public schools located in the state of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in P.A.S.S.'s contract with its Sponsor. The contract between P.A.S.S. and its Sponsor does prescribe an annual budget requirement in addition to preparing a 5-year forecast which is to be updated on an annual basis.

**PROFICIENCY ACHIEVEMENT SUCCESS SKILLS COMMUNITY SCHOOL
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Cash

All monies received by P.A.S.S. are accounted for by P.A.S.S.'s fiscal agent, the Lucas County Educational Service Center. All cash received by the fiscal agent is maintained in separate bank accounts in P.A.S.S.'s name.

D. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

E. Intergovernmental Revenues

P.A.S.S. participated in the State Foundation Program and the State Disadvantaged Pupil Impact Aid (DPIA) Program. Revenues from these programs are recognized as operating revenues in the accounting period in which they are received.

Grants and entitlements are recognized as non-operating revenues in the accounting period in which they are received.

3. DEPOSITS

At June 30, 2001, P.A.S.S. had a cash balance of \$1,453. The bank balance was \$5,539. The bank balance was insured by the Federal Depository Insurance Corporation. The cash balance is maintained by the Sponsor in P.A.S.S.'s name. On February 15, 2002, the sponsor closed this account and deposited these funds in the amount of \$1,537 (balance plus interest) in the Treasury of the Sponsor.

4. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

P.A.S.S. contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan administered by the School Employees Retirement Board. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and P.A.S.S. is required to contribute an actuarially determined rate. The current rate is 14 percent of annual covered payroll; 4.2 percent was the portion used to fund pension obligations for fiscal year 2001. For the fiscal year 2000, 5.5 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. P.A.S.S.'s required contribution for pension obligations to SERS for the fiscal years ended June 30, 2001 and 2000 were \$1, 837 and \$398, respectively; 100 percent has been contributed for the fiscal years 2001 and 2000.

**PROFICIENCY ACHIEVEMENT SUCCESS SKILLS COMMUNITY SCHOOL
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

4. DEFINED BENEFIT PENSION PLANS (continued)

B. State Teachers Retirement System

P.A.S.S. contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and P.A.S.S. is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations for fiscal year 2001. For fiscal year 2000, 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. P.A.S.S.'s required contribution for pension obligations to STRS for the fiscal years ended June 30, 2001 and 2000 were \$5,016 and \$8,495, respectively; 100 percent has been contributed for fiscal years 2001 and 2000.

5. POSTEMPLOYMENT BENEFITS

P.A.S.S. provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired classified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2001, the Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For P.A.S.S., this amount equaled \$2,376 for the period.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3,419 million at June 30, 2000 (the latest information available). For the fiscal year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000, and STRS had 99,011 eligible benefit recipients.

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. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8 percent of covered payroll, an increase of 1.3 percent from fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For the fiscal year 2001, the minimum pay

**PROFICIENCY ACHIEVEMENT SUCCESS SKILLS COMMUNITY SCHOOL
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

5. POSTEMPLOYMENT BENEFITS (continued)

has been established at \$12,400. For P.A.S.S., the amount to fund health care benefits, including surcharge, was \$4,371 for fiscal year 2001.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2000 (the latest information available), were \$140,696,340, and the target level was \$211 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

6. OTHER EMPLOYEE BENEFITS

Employee Medical, Dental and Vision Benefits

P.A.S.S. contracted with a private carrier to provide medical, dental and vision benefits to its full time employees. P.A.S.S. paid all of the monthly premiums for all coverage.

7. RISK MANAGEMENT

A. Property and Liability

P.A.S.S. is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the fiscal year 2001, P.A.S.S. contracted with Nationwide Insurance Company for property and general liability insurance.

Professional liability is protected by Nationwide Insurance Company with a \$1,000,000 single occurrence limit and \$5,000,000 aggregate and no deductible.

B. Workers' Compensation

P.A.S.S. pays the State Worker's Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

8. STATE SCHOOL FUNDING DECISION

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

**PROFICIENCY ACHIEVEMENT SUCCESS SKILLS COMMUNITY SCHOOL
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

8. STATE SCHOOL FUNDING DECISION (Continued)

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of June 5, 2002, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

As of the date of this financial statement, P.A.S.S. is unable to determine what effect, if any, this decision and the reconsideration will have on its future State funding and on its financial operations.

9. CONTINGENCIES

A. Grants

P.A.S.S. received financial assistance from state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the funds. Any such disallowed claims from such audits could become liabilities of P.A.S.S. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of P.A.S.S.

B. Ohio Community School Program

A suit was filed in Franklin County Common Pleas Court on May 14, 2001, alleging that Ohio's Community (i.e., Charter) Schools program violates the state Constitution and state laws. The effect of this suit, if any, on P.A.S.S. is not presently determinable.

C. State Funding

The Ohio Department of Education conducts reviews of enrollment data and full time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The results of this review indicated P.A.S.S. owes the Department of Education \$838. The amount is still outstanding.

10. FISCAL AGENT

The sponsorship agreement states the Treasurer of the Lucas County Educational Service Center shall serve as the Chief Financial Officer of P.A.S.S. As part of this agreement, P.A.S.S. shall compensate the Lucas County Educational Service Center four percent (4%) of the per pupil allotments paid to P.A.S.S. from the State of Ohio. For fiscal 2001, the sponsor waived the four percent and billed for two percent (2%), resulting in a total collection of \$3,049.

The Treasurer of the Sponsor shall perform all of the following functions while serving as the Chief Financial Officer of P.A.S.S.:

**PROFICIENCY ACHIEVEMENT SUCCESS SKILLS COMMUNITY SCHOOL
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

10. FISCAL AGENT (continued)

1. Maintain custody of all funds received by P.A.S.S. in segregated accounts separate from the Sponsor's or any other Community School's funds;
2. Maintain all books and accounts of all funds of P.A.S.S.;
3. Maintain all financial records of all state funds of P.A.S.S. and follow State Auditor procedures for receiving and expending state funds;
4. Assist P.A.S.S. in meeting all financial reporting requirements established by the Auditor of Ohio;
5. Invest funds of P.A.S.S. in the same manner as the funds of the sponsor are invested, but the Treasurer shall not commingle the funds with the Sponsor's or any other community school; and
6. Pay obligations incurred by P.A.S.S. within a reasonable amount of time, not more than 14 calendar days after receipt of a properly executed voucher signed by the Chief Administrative Officer of P.A.S.S. so long as the proposed expenditure is within the approved budget and available funds.

11. PURCHASED SERVICE EXPENSES

For the fiscal year June 30, 2001, purchased service expenses were payments for services rendered, as follows:

PURCHASED SERVICES

Building Lease	\$29,529
Professional and Technical Services	12,321
Food Service	5,367
Communications	3,241
Transportation Services	3,116
Maintenance Services	355
	<hr/>
	\$53,929
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12. TAX EXEMPT STATUS

P.A.S.S. has applied for tax exempt status under Section 501(c)(3) of the Internal Revenue Code and was denied exemption from Federal income tax by the Internal Revenue Service.

**PROFICIENCY ACHIEVEMENT SUCCESS SKILLS COMMUNITY SCHOOL
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

13. BUILDING LEASE

P.A.S.S. entered into a one year building sublease with the Family Outreach Community United Services, Inc. on August 17, 2000 for school facilities for \$43,992 payable at \$3,666 per month. P.A.S.S. paid \$29,529 through June 30, 2001 (see Note 11).

14. DISPUTED CLAIMS

The Sponsor was presented with various requests for reimbursement totaling \$494 from Gloria Layson, Administrator, for items claimed to be purchased on behalf of P.A.S.S. As of June 5, 2002, the Sponsor had not honored these claims.

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OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Proficiency Achievement Success Skills Community School
Lucas County
c/o Lucas County Educational Service Center
415 Emerald Avenue, 2nd Floor
Toledo, Ohio 43602-1817

To the Sponsor:

We were engaged to audit the financial statements of Proficiency Achievement Success Skills Community School, Lucas County, Ohio, (P.A.S.S.) for the year ended June 30, 2001. In our report dated June 5, 2002, we did not express an opinion on these financial statements, as management did not provide us with written representations required by generally accepted auditing standards and Government Auditing Standards. We also noted that P.A.S.S. ended its operations as of May 21, 2001, the sponsor officially closed the school at the end of fiscal 2001 school year, that P.A.S.S. did not comply with Ohio Administrative Code requirements concerning the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that P.A.S.S. had not obtained tax exempt status under 501(c)(3) of the Internal Revenue Code.

Compliance

We performed tests of P.A.S.S.'s compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-10148-001 through 2001-10148-003.

Internal Control Over Financial Reporting

In performing certain procedures, we considered P.A.S.S.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements [upon which statements we were unable to express an opinion] and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect P.A.S.S.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2001-10148-004.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information and use of the Sponsor and is not intended to be and should not be used by anyone other than this specified party.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

June 5, 2002

**PROFICIENCY ACHIEVEMENT SUCCESS SKILLS COMMUNITY SCHOOL
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2001**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2001-10148-001

Noncompliance Citation

Ohio Admin. Code Section 117-6-01 (B) requires P.A.S.S. to prepare its annual financial report in accordance with accounting principles generally accepted in the United States. However, P.A.S.S. prepared its financial statements on a comprehensive basis of accounting that is similar to the cash receipts and disbursements basis of accounting, which is a basis of accounting other than generally accepted accounting principles. The accompanying financial statement omit assets, liabilities, fund equities, and disclosures that, while material cannot be determined at this time.

FINDING NUMBER 2001-10148-002

Noncompliance Citation

Ohio Revised Code Section 121.22 requires P.A.S.S. to take all official actions and to conduct all deliberations upon official business in open meetings, unless the subject matter is specifically exempted by law. It further outlines that P.A.S.S. must establish a reasonable method by which any person can determine the time and place of all regular meetings. And lastly, it requires the minutes of the meetings or special meetings to be promptly prepared, filed and maintained and approved by the governing authority.

The Governing Board did not maintain a record of proceedings for December of 2000 and February 2001 through June 2001.

FINDING NUMBER 2001-10148-003

Noncompliance Citation

Ohio Revised Code Section 3314.03 (A) (10) qualification of teachers, requires the School's classroom teachers be licensed in accordance with Sections 3319.22 to 3319.31 of the Revised Code.

P.A.S.S. employed 4 teachers and P.A.S.S. was unable to verify 2 of the teacher's certificates.

FINDING NUMBER 2001-10148-004

Reportable Condition - Fixed Assets

P.A.S.S. has not established a formalized procedure for the fixed assets process, resulting in an unfavorable control environment over this function. The following control weaknesses were noted:

- P.A.S.S. did not develop a fixed asset accounting system which maintained total fixed asset listings, by location, with tag identification numbers and other information.
- P.A.S.S. did not implement procedures to assist in recording assets as additions when purchased, and deletions when disposed of throughout the fiscal year.

**PROFICIENCY ACHIEVEMENT SUCCESS SKILLS COMMUNITY SCHOOL
LUCAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2001**

Finding <u>Number</u>	Finding <u>Summary</u>	Fully <u>Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer</u> Valid; <i>Explain:</i>
2000-10148- 001	Control weakness over fixed assets	No	Re-issued as finding number 004.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

PROFICIENCY ACHIEVEMENT SUCCESS SKILLS COMMUNITY SCHOOL

LUCAS 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
JUNE 25, 2002**