



**Mary Taylor, CPA**  
Auditor of State



**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Academic Acceleration Academy  
Franklin County  
1990 Jefferson Avenue  
Columbus, Ohio 43211

To the Board of Directors:

We have audited the accompanying basic financial statements of the Academic Acceleration Academy, Franklin 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 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 financial position of the Academic Acceleration Academy, Franklin County, Ohio as of June 30, 2009, and the changes in its 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 May 10, 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.

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We conducted our audit to opine on the financial statements that collectively comprise the Academy's basic financial statements. The federal awards receipts and expenditures schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the federal awards receipts and expenditures schedule 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 black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

May 10, 2010

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

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

The management's discussion and analysis of the Academic Acceleration Academy's (the "Academy") financial performance provides an overall review of the Academy's financial activities for the fiscal year ending 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 notes to the basic financial statements and financial statements to enhance their understanding of the Academy's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2009 are as follows:

- In total, the net assets increased \$434,708 from fiscal year 2008.
- The Academy had operating revenues of \$1,102,331 and operating expenses of \$1,185,130 during fiscal year 2009. The Academy also received \$505,408 in federal, state and local grants \$12,099 in interest during fiscal year 2009.

**Using these Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Academy'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 Academy, including all short-term and long-term financial resources and obligations. The *statement of cash flows* provides information about how the Academy finances and meets the cash flow needs of its operations.

**Reporting the Academy Financial Activities**

***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 we do financially during 2009?" 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 Academy's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the Academy as a whole, the *financial position* of the Academy 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 11-17 of this report.

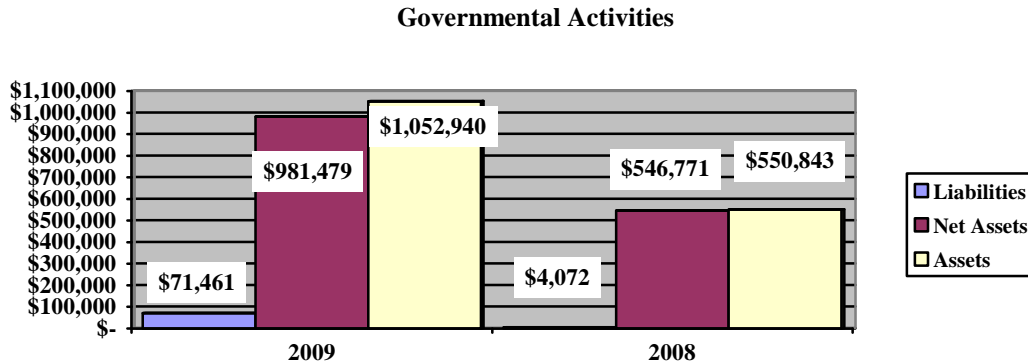
**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

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

The table below provides a summary of the Academy's net assets at June 30, 2009 and June 30, 2008.

<b>Net Assets</b>		
	<u>2009</u>	<u>2008</u>
<b><u>Assets</u></b>		
Current assets	\$ 895,815	\$ 448,722
Capital assets, net	<u>157,125</u>	<u>102,121</u>
Total assets	<u>1,052,940</u>	<u>550,843</u>
<b><u>Liabilities</u></b>		
Current liabilities	<u>71,461</u>	<u>4,072</u>
Total liabilities	<u>71,461</u>	<u>4,072</u>
<b><u>Net Assets</u></b>		
Invested in capital assets	157,125	102,121
Restricted	11,469	65,245
Unrestricted	<u>812,885</u>	<u>379,405</u>
Total net assets	<u>\$ 981,479</u>	<u>\$ 546,771</u>

The chart below illustrates the Academy's assets, liabilities and net assets at June 30, 2009 and June 30, 2008.



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2009, the Academy's assets exceeded liabilities by \$981,479. Of this total, \$812,885 is unrestricted.

At year-end, capital assets represented 14.92% of total assets. Capital assets consisted of computers and equipment. There is no debt related to these capital assets. Capital assets are used to provide services to the students and are not available for future spending.



**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

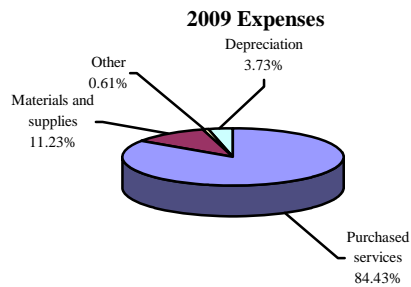
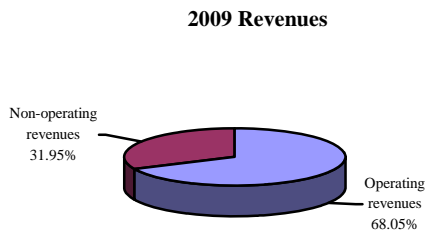
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
UNAUDITED**

The table below shows the changes in net assets for the fiscal year 2009 and fiscal year 2008.

**Change in Net Assets**

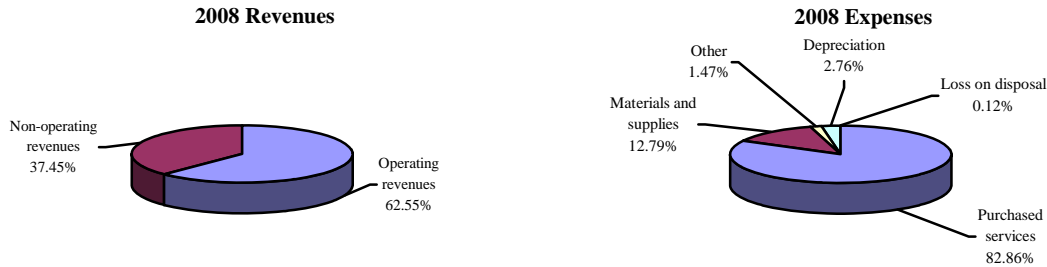
	<u>2009</u>	<u>2008</u>
<b><u>Operating Revenues:</u></b>		
State foundation	\$ 1,082,863	\$ 902,690
Charges for services	-	295
Other revenues	<u>19,468</u>	<u>3,192</u>
Total operating revenue	<u>1,102,331</u>	<u>906,177</u>
<b><u>Operating Expenses:</u></b>		
Purchased services	1,000,642	896,677
Materials and supplies	133,055	138,465
Other	7,242	15,911
Depreciation	<u>44,191</u>	<u>29,891</u>
Total operating expenses	<u>1,185,130</u>	<u>1,080,944</u>
<b><u>Non-operating revenues (expenses):</u></b>		
Federal, state and local grants	505,408	530,859
Loss on disposal of capital assets	-	(1,248)
Interest income	<u>12,099</u>	<u>11,760</u>
Total non-operating revenues (expenses)	<u>517,507</u>	<u>541,371</u>
Change in net assets	434,708	366,604
Net assets at the beginning of the year	<u>546,771</u>	<u>180,167</u>
Net assets at the end of the year	<u>\$ 981,479</u>	<u>\$ 546,771</u>

The charts below illustrate the revenues and expenses for the Academy for fiscal year 2009 and 2008.



**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

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



**Capital Assets**

At June 30, 2009, the Academy had \$157,125 invested in computers and equipment. See Note 6 in the notes to the basic financial statements for more detail on capital assets.

**Capital Assets at June 30  
(Net of Depreciation)**

	Governmental Activities	
	2009	2008
Computers and equipment	<u>\$ 157,125</u>	<u>\$ 102,121</u>

**Current Financial Related Activities**

The Academy is sponsored by the Columbus Public School District. The Academy relies primarily on the State Foundation funds and federal and state operating grants.

In order to continually provide learning opportunities to the Academy's students, the Academy will apply resources to best meet the needs of its students. It is the intent of the Academy to apply for State and Federal funds that are made available to finance its operations.

**Contacting the Academy's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Arlene Wilson, Treasurer, Charter School Specialists, 40 Hill Road South, Pickerington, OH 43147.

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

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

**Assets:**

Current Assets:

Cash and cash equivalents . . . . .	\$	614,590
Investments . . . . .		183,965
Receivables:		
Accounts . . . . .		783
Accrued interest. . . . .		2,399
Intergovernmental . . . . .		93,124
Prepayments . . . . .		954
Total current assets . . . . .		895,815

Non-Current Assets:

Capital assets, net. . . . .		157,125
Total assets. . . . .		1,052,940

**Liabilities:**

Accounts payable . . . . .		3,916
Intergovernmental payable . . . . .		67,545
Total liabilities . . . . .		71,461

**Net Assets:**

Invested in capital assets . . . . .		157,125
Restricted for:		
State funded programs. . . . .		3,000
Federally funded programs. . . . .		8,469
Unrestricted. . . . .		812,885
Total net assets. . . . .	\$	981,479

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

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

<b>Operating revenues:</b>	
State foundation . . . . .	\$ 1,082,863
Other revenues . . . . .	19,468
Total revenues . . . . .	<u>1,102,331</u>
 <b>Operating expenses:</b>	
Purchased services . . . . .	1,000,642
Materials and supplies . . . . .	133,055
Other operating expenses . . . . .	7,242
Depreciation . . . . .	44,191
Total expenses . . . . .	<u>1,185,130</u>
 Operating loss . . . . .	 <u>(82,799)</u>
 <b>Non-operating revenues:</b>	
Federal, state and local grants . . . . .	505,408
Interest income . . . . .	12,099
Total non-operating revenues . . . . .	<u>517,507</u>
 Change in net assets. . . . .	 434,708
 <b>Net assets at beginning of year. . . . .</b>	 <u>546,771</u>
<b>Net assets at end of year . . . . .</b>	<b><u>\$ 981,479</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<b>Cash flows from operating activities:</b>	
Cash received from foundation. . . . .	\$ 1,074,056
Cash received from other operations. . . . .	19,468
Cash payments for purchased services . . . . .	(887,272)
Cash payments for materials and supplies . . . . .	(137,769)
Cash payments for other expenses . . . . .	<u>(7,242)</u>
Net cash provided by operating activities . . . . .	<u>61,241</u>
<b>Cash flows from noncapital financing activities:</b>	
Federal, state and local grants. . . . .	<u>435,473</u>
Net cash provided by noncapital financing activities . . . . .	<u>435,473</u>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition of capital assets . . . . .	<u>(99,195)</u>
Net cash used in capital and related financing activities . . . . .	<u>(99,195)</u>
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	9,700
Purchase of investments . . . . .	(183,965)
Maturity of investments . . . . .	<u>97,463</u>
Net cash used in investing activities . . . . .	<u>(76,802)</u>
Net increase in cash and cash equivalents . . . . .	320,717
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>293,873</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>\$ 614,590</u></u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating loss . . . . .	\$ (82,799)
Adjustments:	
Depreciation. . . . .	44,191
Changes in assets and liabilities:	
Increase in intergovernmental receivable . . . . .	(14,666)
Decrease in prepayments . . . . .	47,126
Decrease in accounts payable . . . . .	(156)
Increase in intergovernmental payable . . . . .	<u>67,545</u>
Net cash provided by operating activities. . . . .	<u><u>\$ 61,241</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 1 - DESCRIPTION OF THE ACADEMY AND REPORTING ENTITY**

The Academic Acceleration Academy (the "Academy") is a nonprofit corporation established by Ohio Revised Code Chapters 3314 and 3314.03 to establish a new conversion school in Columbus City Schools (the "Sponsor"). The Academy is designed to serve high school students who are over-aged for their grade placement for participation in an intensive program to accelerate graduation from high school and transition to an appropriate post secondary placement. The Academy, which is part of the State's education program, is nonsectarian in its programs, admission policies, employment practices and all other operations. The Academy is an approved tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code and management is not aware of any course of action or series of events that have occurred that might adversely affect their tax exempt status. The Academy may sue or be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy.

The Academy was certified by the State of Ohio Secretary of State as a non-profit organization on March 7, 2006. The Academy was approved for operation under a contract with the Sponsor for five years commencing July 1, 2006 and continuing through June 30, 2011. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration. Charter School Specialists, LLC ("CSS") serves as the fiscal agent for the Academy (see Note 8). The Academy served 178 students during fiscal year 2009 and was the 752<sup>nd</sup> largest by enrollment among the 922 public school districts and community schools in the State.

The Academy operates under the direction of a seven-member Board of Directors which consists of individuals who represent the interests of the parents served by the Academy.

The Sponsor, under a purchased services basis with the Academy, provides planning, instructional, administrative and technical services. Certified personnel providing services to the Academy on behalf of the Sponsor under the purchased services basis are considered employees of the Sponsor, and the Sponsor is solely responsible for all payroll functions (see Note 8).

During fiscal year 2009, the Academy had a personnel agreement with the Charter School Specialists, LLC ("CSS"). Under this agreement, non-certificated personnel providing services to the Academy on behalf of CSS under the purchased service basis are considered employees of CSS, and CSS is solely responsible for all payroll functions (see Note 8).

*Reporting Entity:*

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Academy consists of all funds, departments, boards, and agencies that are not legally separate from the Academy. For the Academic Acceleration Academy, this includes instructional activities of the Academy.

Component units are legally separate organizations for which the Academy is financially accountable. The Academy is financially accountable for an organization if the Academy appoints a voting majority of the organization's governing board and (1) the Academy is able to significantly influence the programs or services performed or provided by the organization; or (2) the Academy is legally entitled to or can otherwise access the organization's resources; the Academy is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Academy is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Academy in that the Academy approves the budget and issuance of debt. The Academy has no component units.

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements (BFS) of the Academy have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Academy also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued prior to November 30, 1989, provided those pronouncements do not conflict with or contradict GASB pronouncements. The Academy does not apply FASB Statements or Interpretations issued after November 30, 1989. The Academy's significant accounting policies are described below.

**A. Basis of Presentation**

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

**B. Measurement Focus and Basis of Accounting**

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. Statement of revenues, expenses and changes in net assets present increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

**C. Budgetary Process**

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Section 5705, unless specifically provided in the Academy's contract with its Sponsor, except for Ohio Revised Code Section 5705.391 as it relates to five year forecasts and spending plans. The contract between the Academy and its Sponsor requires a detailed school budget for each year of the contract; however, the budget does not have to follow the provisions of Ohio Revised Code Section 5705.

**D. Cash and Investments**

Cash received by the Academy is maintained in demand deposit accounts.

During fiscal year 2009, investments were limited to investments in non-negotiable certificates of deposit. Non-participating investment contracts, such as non-negotiable certificates of deposit, are reported at cost.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Academy are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.



**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**E. Capital Assets and Depreciation**

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The Academy maintains a capitalization threshold of \$500. The Academy does not have any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated. Depreciation is computed using the straight-line method. Equipment consists of computers and equipment is depreciated from three to ten years.

**F. Net Assets**

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

The Academy applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**G. Intergovernmental Revenue**

The Academy currently participates in the State Foundation Program, School net professional development grant, IDEA VI-B grant, Title I grant, Title V grant, Drug free school grant, Title II-A, Title II-D, EMIS grant, Heart of Ohio Tech Prep Grant, Public Charter Schools grant and the Walton Foundation grant. Revenues received from the State Foundation Program are recognized as operating revenues in the accompanying financial statements. 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 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. Federal, State and local grant revenue for fiscal year 2009 was \$505,408.

**H. Accrued Liabilities**

The Academy has recognized certain expenses due, but unpaid as of June 30, 2009. These expenses are reported as accrued liabilities in the accompanying financial statements.

**I. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in the statement of net assets. These items are reported as assets on the statement of net assets using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**J. Operating Revenues and Expenses**

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

**K. Estimates**

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

**L. Economic Dependency**

The Academy receives approximately 98% of its operating revenue from the Ohio Department of Education. Due to the significance of this revenue source, the Academy is considered to be economically dependent on the State of Ohio Department of Education.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For fiscal year 2009, the Academy has implemented GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards".

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the Academy.

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the Academy.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the Academy.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the Academy.

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)**

**NOTE 4 - CASH AND CASH EQUIVALENTS**

**Deposits with Financial Institutions**

At June 30, 2009, the carrying amount of all Academy deposits was \$798,555. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2009, all of the Academy's bank balance of \$877,165 was covered by the Federal Deposit Insurance Corporation.

**NOTE 5 - RECEIVABLES**

At June 30, 2009, receivables consisted of accounts receivable, accrued interest receivable and intergovernmental receivables. The receivables are expected to be collected in full within one year. A summary of the receivables follows:

	Amount
<b>Intergovernmental receivables:</b>	
State foundation	\$ 18,113
EMIS	2,000
Title VI-B	2,350
Public Charter School Grant	70,661
Total intergovernmental receivables	93,124
Accounts receivable	783
Accrued interest receivable	2,399
	\$ 96,306

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Balance 6/30/2008	Additions	Reductions	Balance 6/30/2009
Equipment	\$ 135,394	\$ 99,195	\$ -	\$ 234,589
Less: accumulated depreciation	(33,273)	(44,191)	-	(77,464)
Net capital assets	\$ 102,121	\$ 55,004	\$ -	\$ 157,125

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)**

**NOTE 7 - PURCHASED SERVICES**

For the fiscal year ended June 30, 2009, purchased services expenses were as follows:

Professional and technical services	\$ 895,709
Property services	11,840
Travel milage/meetings	2,731
Communications	11,236
Utilities	24,804
Other purchased services	<u>54,322</u>
Total	<u>\$ 1,000,642</u>

**NOTE 8 - SERVICE AGREEMENTS**

**A. Charter School Specialists, LLC**

The Academy entered into a service contract with Charter School Specialists, LLC (CSS), for a period of fourteen months commencing August 1, 2008, to provide fiscal, student data, and Comprehensive Continuous Planning (CCP) consulting services. The School paid CSS \$31,594 in service fees for fiscal year 2009.

**B. Columbus City Schools Public School District**

The Community School Sponsorship Contract between the Academy and Columbus City Schools (the "Sponsor") outlined the specific payments to be made by the Academy to the Sponsor during fiscal year 2009.

Under the Community School Sponsorship Contract, the Academy agrees to pay the following:

1. The Academy shall annually pay to the Sponsor from the funding provided by the Ohio Department of Education pursuant to Section 3314.08 of the Ohio Revised Code, 3% of the receipts calculated against the state foundation formula. The schedule for such payments shall be as mutually agreed by the parties, and the amount of such payments may be varied by mutual agreement parties.
2. In the event that the Sponsor provides special education and related services required by a student's IEP, the Academy shall pay to the Sponsor the funds received by the Academy from the Department of Education.
3. The Academy shall pay the Sponsor such other amounts as are mutually agreed, including fees for any services provided to the Academy by the Sponsor.
4. Upon the dissolution of the Academy, any assets remaining shall be conveyed to the Sponsor.

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(Continued)**

**NOTE 8 - SERVICE AGREEMENTS - (Continued)**

During the fiscal year ended June 30, 2009, the Academy made payments of \$310,098 to the Sponsor, which includes the 3 percent fee plus the Academy's reimbursement for payroll and benefit expenditures of certificated personnel.

Furthermore, the Academy and Sponsor have entered into a lease agreement for a school building. The Academy has agreed to pay the Sponsor \$2 annually for this lease.

**NOTE 9 - RISK MANAGEMENT**

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. For fiscal year 2009, the Academy had general liability insurance through Wells Fargo Insurance Services of Ohio, LLC.

Settled claims have not exceeded commercial coverage in the past year. There was no significant reduction in coverage from the prior fiscal year.

**NOTE 10 - CONTINGENCIES**

**A. Grants**

The Academy received financial assistance from state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2009.

**B. State Foundation 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. As a result of the review after fiscal year-end, the Ohio Department of Education owed the Academy \$18,113. This amount is reflected as an intergovernmental receivable on the basic financial statements.

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**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2009**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Grant Year</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Expenditures</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
<i>Passed Through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies				
Title I Grants to Local Educational Agencies	2008	84.010	\$ -	\$ 17,622
Title I Grants to Local Educational Agencies	2009	84.010	60,490	53,997
<i>Total Title I Grants to Local Educational Agencies</i>			<u>60,490</u>	<u>71,619</u>
Special Education Grants to States:				
Special Education Grants to States	2009	84.027	9,102	9,475
<i>Total Special Education Grants to States</i>			<u>9,102</u>	<u>9,475</u>
Safe and Drug-Free Schools and Communities State Grants				
Safe and Drug-Free Schools and Communities State Grants	2009	84.186	915	915
<i>Total Safe and Drug-Free Schools and Communities State Grants</i>			<u>915</u>	<u>915</u>
State Grants for Innovative Programs				
State Grants for Innovative Programs	2009	84.298	113	113
<i>Total State Grants for Innovative Programs</i>			<u>113</u>	<u>113</u>
Education Technology State Grants				
Education Technology State Grants	2008	84.318	-	951
Education Technology State Grants	2009	84.318	1,103	1,103
<i>Total Education Technology State Grants</i>			<u>1,103</u>	<u>2,054</u>
Improving Teacher Quality State Grants				
Improving Teacher Quality State Grants	2008	84.367	151	32
Improving Teacher Quality State Grants	2009	84.367	1,951	1,951
<i>Total Improving Teacher Quality State Grants</i>			<u>2,102</u>	<u>1,983</u>
Public Charter School Grant				
Public Charter School Grant	2009	84.282	379,339	435,671
<i>Total Public Charter School Grant</i>			<u>379,339</u>	<u>435,671</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b><u>453,164</u></b>	<b><u>521,830</u></b>
<b>TOTALS</b>			<b><u>\$ 453,164</u></b>	<b><u>\$ 521,830</u></b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B – TRANSFERS**

The Academy generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30<sup>th</sup> and spent by September 30<sup>th</sup>). However, with approval of the Ohio Department of Education (ODE), the Academy can transfer unspent Federal assistance to the succeeding year, thus allowing the Academy a total of 27 months to spend the assistance. During fiscal year 2009, ODE authorized the following transfers from fiscal year 2008 grants to fiscal year 2009 grants:

<b>CFDA</b>		
<b><u>Number</u></b>	<b><u>Program Title</u></b>	<b><u>Amount</u></b>
84.010	Title I	17,622
84.367	Title II-A Improving Teacher Quality	151
84.318	Title II-D Technology	951





# 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*

Academic Acceleration Academy  
Franklin County  
1990 Jefferson Avenue  
Columbus, Ohio 43211

To the Board of Directors:

We have audited the basic financial statements of the Academic Acceleration Academy, Franklin County, Ohio (the Academy) as of and for the year ended June 30, 2009, and have issued our report thereon dated May 10, 2010. 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 opinions 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies

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.

We consider findings 2009-001 and 2009-002 described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

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. Of the significant deficiencies described above, we believe finding numbers 2009-001 and 2009-002 are also material weaknesses.

We noted certain internal control matters that we reported to the Academy's management in a separate letter dated May 10, 2010.

### **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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2009-001 and 2009-002.

We also noted certain noncompliance or other matters that we reported to the Academy's management in a separate letter dated May 10, 2010.

The Academy's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Academy's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the finance committee, management, the Board of Directors, and the Columbus City School District. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

May 10, 2010



# Mary Taylor, CPA

## Auditor of State

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

Academic Acceleration Academy  
Franklin County  
1990 Jefferson Avenue  
Columbus, Ohio 43211

To the Board of Directors:

#### Compliance

We have audited the compliance of the Academic Acceleration Academy (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, the Academic Acceleration Academy 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. In a separate letter to the Academy's management dated May 10, 2010, we reported other matters related to federal noncompliance not requiring inclusion in this report.

#### 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 finance committee, management, the Board of Directors, Columbus City School District, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

May 10, 2010

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN 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)?	Yes
<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)?	Yes
<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):	Public Charter Schools Grant — CFDA #84.282
<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?	No

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

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

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

**FINDING NUMBER 2009-001**

**Material Non-Compliance/Material Weakness  
Accounting for Student Enrollment and Foundation Receipts**

Ohio Rev. Code §3314.08 and Ohio Admin. Code 3301-29-01 require the governing authority of each community school to annually report the number of students enrolled in the community school. Community schools are funded on a per-pupil foundation allocation. The Academy is responsible for entering and maintaining student enrollment information in the Ohio Department of Education's (ODE) School Options Enrollment System (SOES) database, which is the reporting mechanism that drives student funding for community schools. Therefore, it is vital that community schools have policies and procedures in place which assist management in the ongoing tracking and reporting of student enrollment, as it directly affects the amount of State Foundation allocated to the Academy.

A critical component of accurate tracking and reporting is the continual process of documenting enrollment indicators, such as student application/enrollment, ongoing attendance, and withdrawal. Under the current funding model there are instances where the Academy and another school may report the same student as attending both schools; in those instances the SOES flags the student and there is an established protocol whereby the two schools reconcile by exchanging student documentation to determine where the student is actually attending.

To document enrollment for purposes of reporting each student in SOES, the Academy obtains documentation from the students' prior schools, and maintains application/enrollment forms and withdrawal forms in a separate file for each student.

We examined a sample of thirty student files and noted the following deficiencies in the Academy's documentation and maintenance of enrollment:

- Two files in which a record release form was not completed and maintained.
- Two files in which the parent or guardian did not sign the records release form; this allows the Academy to share information about the student with other schools.
- Three files lacked prior school records.
- Three files lacked an application enrollment form; this form documents the student's start date, which is the date the Academy is entitled to receive funding for the student.
- Sixteen files lacked a withdrawal form.

Deficiencies such as those above could affect the Academy's reported enrollment in the SOES. For example, the Academy's failure to properly document withdrawn students has a direct effect on the amount of State Foundation allocated to the Academy; in those instances the Academy could be receiving funding for students who have already withdrawn.

Additionally, the lack of application/enrollment forms noted above could jeopardize the Academy's contention that a student attended the Academy during a given period of time, if performing the reconciliation process of flagged students discussed above. This would also directly affect the Academy's allocation of State Foundation revenue.

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

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

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
---

**FINDING NUMBER 2009-001 (Continued)**

**Material Non-Compliance/Material Weakness  
Accounting for Student Enrollment and Foundation Receipts (Continued)**

We recommend the Academy establish internal controls which facilitate periodic review and approval of student files. One possible control would be a checklist which could be incorporated into each student file which would help the Academy identify missing documentation or other deficiencies which ultimately affect SOES reporting and State Foundation revenue.

**Officials' Response:**

The Academy will take the following action to address this finding:

- Establish a records' clerk position with responsibility for entering and maintaining student records into ESIS and SOES.
- Develop and implement an approval process and procedure for enrolling/withdrawing students, including a detailed checklist
  - Provide training to staff
    - on the legal requirements of maintaining accurate student records
    - funding of Ohio Charter Schools and required records
    - on the process for enrolling/withdrawing students
  - Support process by maintaining student records in a hard copy file as well as in an electronic student information system (ESIS)
  - Students will not be entered nor withdrawn into SOES or EMIS until the process has been approved and completed
  - Records will be reviewed and reconciled monthly against attendance logs, hard copy files and SOES

The responsibility for the implementation and oversight of the above will be the Chief Academic Officer.

**FINDING 2009-002**

**Material Non-Compliance/Material Weakness  
Accounting for Student Attendance & Average Daily Membership**

Ohio Rev. Code §3314.03(A)(6)(b) requires that a contract between a sponsor and a community school state that the governing authority of the community school will adopt an attendance policy that includes a procedure for automatically withdrawing a student from the school if the student, without a legitimate excuse, fails to participate in one hundred five consecutive hours of learning opportunities offered to the student. The Academy's contract with its sponsor, the Columbus City School District, does contain this requirement.

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

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

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
---

**FINDING 2009-002 (Continued)**

**Material Non-Compliance/Material Weakness**

**Accounting for Student Attendance & Average Daily Membership (Continued)**

The Academy serves a population of at-risk students with differing individual needs to meet graduation requirements; some students may need only one credit hour in a core subject area while others may need more credits to meet their individual graduation plan. Students who need less than a full-time curriculum attend the classes they need and spend the remainder of their school day either in career-based intervention (which teaches skills needed to obtain and sustain employment) or at work.

The Academy's Attendance Policy and Procedures require students to report a minimum of three days per week and complete weekly mastery objectives in order to receive attendance credit. Students with documented excuses may make up absences by arrangement with instructors. After assignments are completed and verified by instructors the student's attendance record is updated.

In addition to phone calls to a student's home, the Academy's Attendance Policy and Procedures contain procedures that the Academy follows in cases of excessive absences:

- 1) After three consecutive absences the Student Services Director performs a home visit and provides an official notice to the parent/guardian that reiterates the importance of school attendance, and a copy of the Academy's Attendance Policy and Procedures.
- 2) After six consecutive absences a second home visit is made; a letter is presented requiring the student to report to the school or notify the school of the reason for absence so arrangements can be made for instructional support.
- 3) After the tenth consecutive absence a third home visit is made and a letter is delivered, representing a third and final notice (intent to withdraw).

After 15 consecutive school absences students are withdrawn. Once a student reports back to school the consecutive day clock will be reset.

The Academy appears to have an attendance policy that includes a procedure for automatically withdrawing students from the school if the student, without a legitimate excuse, fails to participate in one hundred five consecutive hours of learning opportunities offered to the student, as required by Ohio Rev. Code 3314.03 and the Academy's sponsorship contract with the Columbus Public School District.

However, in order for the Academy to report students in the Ohio Department of Education's School Options Enrollment System (SOES) database, the students must actually attend the Academy for their equivalent portion of the school day. If students are absent or leave the school for a portion of the school day, those hours should not be included in the student's attendance record toward the Academy's calculation of enrollment reported in SOES.



**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

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

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
---

**FINDING 2009-002 (Continued)**

**Material Non-Compliance/Material Weakness  
Accounting for Student Attendance & Average Daily Membership (Continued)**

We recommend the Academy examine its current practices regarding tracking student attendance and implement practices which will ensure accuracy of student attendance. The Academy must ensure that when students attend class that they do not leave early; if students leave early the attendance records should be adjusted accordingly. The Academy must ensure that students are offered 920 hours of learning opportunities and that upon 105 consecutive hours of absences students are withdrawn. One possible solution would be to have students sign in and sign out at each classroom. Attendance sheets should be maintained for tracking and to demonstrate compliance.

Additionally, we recommend the Academy implement a system of documentation which demonstrates compliance with its Attendance Policy and Procedures, whereby the documentation of home visits and students' progress toward their individual graduation plans is maintained in student files.

This matter will be referred to the Ohio Department of Education.

**Officials' Response:**

The Academy will take the following action to address this finding:

- Teachers will have access (24/7) to electronic grade books, daily attendance and student records through an electronic student information system (ESIS)
  - Teacher training on use of Electronic Student Information System (ESIS)
  - Teachers will contact absent students/parents on a daily basis
  - Parents and students will have access to student grades and attendance
  - Attendance will be maintained on a daily basis
- Through ESIS
  - Student attendance daily, weekly, monthly and annually will be monitored
  - Student records (demographics, transcripts, photo ID, etc.) will be available
  - Student and teacher schedules will be available
  - Reconciliation reports against EMIS and SOES will be possible
- Contract with The Ohio State University, School of Social Work, to provide a student outreach program that will provide support to staff, students and parents
  - Staff development on how to engage and support at-risk students and families
  - School of Social Work students will provide direct outreach services to students and families
  - In consultation with OSU, School of Social Work, the Academy's student intervention program and attendance policies and procedures will be reviewed and aligned to best practices

The responsibility for the implementation and oversight of the above will be the Chief Academic Officer.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
--

None

**ACADEMIC ACCELERATION ACADEMY  
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2008-001	Financial Statement Adjustments	Yes	
2008-002	Finding for Recovery Repaid Under Audit - \$275 of gift cards could not be located; amount was repaid.	Yes	



# Mary Taylor, CPA

Auditor of State

## Independent Accountant's Report on Applying Agreed-Upon Procedures

Academic Acceleration Academy  
Franklin County  
1990 Jefferson Avenue  
Columbus, Ohio 43211

To the Board of Directors:

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

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Academic Acceleration Academy, Franklin County, Ohio 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 August 1, 2006.
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 shall include the definition in division (A) of Ohio Rev. Code Section 3313.666;
  - (3) A procedure for reporting prohibiting 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;
- (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 is not intended to be and should not be used by anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

May 10, 2010



**Mary Taylor, CPA**  
Auditor of State

**ACADEMIC ACCELERATION ACADEMY**

**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  
JUNE 3, 2010**