



Dave Yost • Auditor of State



**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Greater Achievement Community School  
Attn: Dr. Elijah M. Scott, Superintendent/Developer  
5455 North Marginal Road Suite 521  
Cleveland, Ohio 44114-3951

ASHE Culture Center Inc., Sponsor  
Attn: Dr. Kwa David Whitaker, Ph.D., Esq., Co-Chair  
Attn: Dr. Jorethia L. Chuck, Ph.D., Co-Chair  
2125 Superior Avenue  
Cleveland, Ohio 44114

Ohio Department of Education, Sponsor  
Attn: Joni Hoffman, Director  
25 S. Front Street, Mail Stop 307  
Columbus, Ohio 43215

To Greater Achievement Community School and the Sponsors:

We have selectively tested certain accounts, financial records, files, and reports of the Greater Achievement Community School, Cuyahoga County, Ohio, (GACS) as of and for the years ended June 30, 2010, June 30, 2009, June 30, 2008, June 30, 2007, June 30, 2006, June 30, 2005 and June 30, 2004, following Ohio Administrative Code Section 117-4-02.

There are reportable findings and conditions as a result of performing these procedures. Our reportable findings and conditions follow the financial presentation. Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, and we express no opinion on them.

As described in Note 1 and 11, GACS suspended operation on November 6, 2009 and was closed by Ohio Department of Education on June 30, 2010.

This report is intended solely for the information and use of officials authorized to receive this report under Section 117.26, Ohio Rev. Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Dave Yost**  
Auditor of State

January 31, 2012

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**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGE IN CASH BALANCE  
FOR THE YEAR ENDED JUNE 30, 2010**

Operating Cash receipts:	
Other Operating Revenues	<u>\$98</u>
Total operating cash receipts	<u>98</u>
Operating Cash Disbursements	
Purchased Services	200
Miscellaneous	<u>48</u>
Total operating cash disbursements	<u>248</u>
Operating Loss	<u>(150)</u>
Net receipts under disbursements	(150)
Cash balance, July 1, 2009	<u>1,552</u>
Cash balance, June 30, 2010	<u><u>\$1,402</u></u>

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

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGE IN CASH BALANCE  
FOR THE YEAR ENDED JUNE 30, 2009**

Operating Cash receipts:	
Foundation Payments	\$312,993
Other Operating Revenues	<u>32,491</u>
Total operating cash receipts	<u>345,484</u>
Operating Cash Disbursements	
Wages and Benefits	237,930
Purchased Services	85,995
Miscellaneous	<u>42,574</u>
Total operating cash disbursements	<u>366,499</u>
Operating Loss	<u>(21,015)</u>
Non-operating cash receipts:	
State Subsidies	2,848
Federal Subsidies	7,703
Interest	<u>21</u>
Total non-operating cash receipts	<u>10,572</u>
Net receipts under disbursements	(10,443)
Cash balance, July 1, 2008	<u>11,995</u>
Cash balance, June 30, 2009	<u><u>\$1,552</u></u>

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



**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGE IN CASH BALANCE  
FOR THE YEAR ENDED JUNE 30, 2008**

Operating Cash receipts:	
Foundation Payments	\$1,208,662
Other Operating Revenues	<u>486,824</u>
Total operating cash receipts	<u>1,695,486</u>
Operating Cash Disbursements	
Wages and Benefits	459,380
Purchased Services	1,253,962
Miscellaneous	<u>197,440</u>
Total operating cash disbursements	<u>1,910,782</u>
Operating Loss	<u>(215,296)</u>
Non-operating cash receipts:	
State Subsidies	4,282
Federal Subsidies	116,423
Interest	<u>92</u>
Total non-operating cash receipts	<u>120,797</u>
Net receipts under disbursements	(94,499)
Cash balance, July 1, 2007	<u>106,494</u>
Cash balance, June 30, 2008	<u><u>\$11,995</u></u>

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

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGE IN CASH BALANCE  
FOR THE YEAR ENDED JUNE 30, 2007**

Operating Cash receipts:	
Foundation Payments	\$1,496,919
Other Operating Revenues	<u>53,836</u>
Total operating cash receipts	<u>1,550,755</u>
Operating Cash Disbursements	
Wages and Benefits	743,953
Purchased Services	1,067,750
Miscellaneous	<u>112,275</u>
Total operating cash disbursements	<u>1,923,978</u>
Operating Loss	<u>(373,223)</u>
Non-operating cash receipts:	
State Subsidies	7,774
Federal Subsidies	336,122
Interest	<u>368</u>
Total non-operating cash receipts	<u>344,264</u>
Net receipts under disbursements	(28,959)
Cash balance, July 1, 2006	<u>135,453</u>
Cash balance, June 30, 2007	<u><u>\$106,494</u></u>

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

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGE IN CASH BALANCE  
FOR THE YEAR ENDED JUNE 30, 2006**

Operating Cash receipts:	
Foundation Payments	\$1,509,485
Other Operating Revenues	<u>42,509</u>
Total operating cash receipts	<u>1,551,994</u>
Operating Cash Disbursements	
Wages and Benefits	822,968
Purchased Services	<u>950,256</u>
Total operating cash disbursements	<u>1,773,224</u>
Operating Loss	<u>(221,230)</u>
Non-operating cash receipts:	
State Subsidies	6,658
Federal Subsidies	213,937
Interest	<u>245</u>
Total non-operating cash receipts	<u>220,840</u>
Net receipts under disbursements	(390)
Cash balance, July 1, 2005	<u>135,843</u>
Cash balance, June 30, 2006	<u><u>\$135,453</u></u>

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

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGE IN CASH BALANCE  
FOR THE YEAR ENDED JUNE 30, 2005**

Operating Cash receipts:	
Foundation Payments	\$1,307,617
Other Operating Revenues	<u>138,400</u>
Total operating cash receipts	<u>1,446,017</u>
Operating Cash Disbursements	
Wages and Benefits	431,570
Purchased Services	486,399
Miscellaneous	<u>512,514</u>
Total operating cash disbursements	<u>1,430,483</u>
Operating Loss	<u>15,534</u>
Non-operating cash receipts:	
State Subsidies	9,476
Federal Subsidies	93,635
Interest	<u>199</u>
Total non-operating cash receipts	<u>103,310</u>
Net receipts under disbursements	118,844
Cash balance, July 1, 2004	<u>16,999</u>
Cash balance, June 30, 2005	<u><u>\$135,843</u></u>

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

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGE IN CASH BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004**

Operating Cash receipts:	
Foundation Payments	\$625,683
Other Operating Revenues	<u>111,405</u>
Total operating cash receipts	<u>737,088</u>
Operating Cash Disbursements	
Wages Benefits	238,474
Purchased Services	624,574
Miscellaneous	<u>150</u>
Total operating cash disbursements	<u>863,198</u>
Operating Loss	<u>(126,110)</u>
Non-operating cash receipts:	
State Subsidies	16,640
Federal Subsidies	108,407
Interest	<u>41</u>
Total non-operating cash receipts	<u>125,088</u>
Net receipts under disbursements	(1,022)
Cash balance, July 1, 2003	<u>18,021</u>
Cash balance, June 30, 2004	<u><u>\$16,999</u></u>

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

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**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007; JUNE 30,  
2006; JUNE 30, 2005; AND JUNE 30, 2004**

**NOTE 1 – DESCRIPTION OF SCHOOL**

**School Description – Structure**

The Greater Achievement Community School, (GACS) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. GACS, which was part of the State's education program, was independent of any school district. GACS could sue and be sued, acquire facilities as needed, and contract for any necessary services for the operation of GACS.

For the fiscal year ended June 30, 2004, GACS was sponsored by the Ohio Department of Education and for the fiscal years ended June 30, 2010, June 30, 2009, June 30, 2008, June 30, 2007, June 30, 2006, and June 30, 2005, GACS was sponsored by Ashe Culture Center Inc. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School operates under the direction of a five member Board of Trustees. The Board is responsible for carrying out the provisions of the contract which include, but are not limited to, state mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The Board of Trustees control the School's instructional/support facility staffed by teaching personnel and classified staff members who provide services for up to 215 students.

**Closing of School**

In November 2009 Ashe Culture Center Inc notified GACS that GACS was suspended for not meeting student performance requirements and failure to meet fiscal management performance requirements. On June 30, 2010, GACS was closed by operation of law due to poor academic performance and other contractual non-compliance.

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

Although required by the Ohio Administrative Code (OAC) section 117-2-03(B) which states that "all counties, cities and school districts, including educational service centers and community schools, shall file annual financial reports which are prepared using generally accepted accounting principles," GACS did not prepare GAAP financial statements.

**A. Basis of Presentation**

The financial statements are presented on a cash basis of accounting. The basis of accounting is similar to the cash receipts and cash disbursements basis of accounting. Receipts are recognized when received in cash rather than when they are earned, and disbursements are recognized when paid rather than when a liability is incurred. As a result, financial statements presented in this report do not conform with GAAP. GACS uses a single enterprise fund, cash basis financial statement presentation.

**B. Budgetary Process**

Unlike other public schools located in the State of Ohio, GACS is not required to follow budgetary provisions set forth in Ohio Revised Code Section 5705, unless specifically provided in the contract between GACS and its Sponsor. The contract between GACS and its Sponsors did not require budgetary compliance.

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007; JUNE 30,  
2006; JUNE 30, 2005; AND JUNE 30, 2004**

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

**C. Cash**

GACS maintained checking accounts and a payroll clearing account.

**D. Capital Assets and Depreciation**

The Board has not adopted a Capital Asset policy.

**NOTE 3- DEPOSITS**

GACS maintained a cash pool. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at each year end was as follows:

	June 30, 2010	June 30, 2009	June 30, 2008,	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004
Demand Deposit	\$1,402	\$1,552	\$11,995	\$106,494	\$135,453	\$135,843	\$16,999
Total	\$1,402	\$1,552	\$11,995	\$106,494	\$135,453	\$135,843	\$16,999

Deposits: Deposits were insured by the Federal Depository Insurance Corporation or the National Credit Union Administration. GACS maintained nine checking accounts during the period from one bank and one credit union.

**NOTE 4 - PENSION PLANS**

**A. School Employee Retirement System**

GAC contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 10 percent of their annual covered salary and GACS is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of GACS contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2004, 9.09 percent; for fiscal year 2005, 10.57 percent; for fiscal year 2006, 10.58 percent; for fiscal year 2007, 10.68 percent; for fiscal year 2008, 9.16 percent; for 2009, 4.16 percent; for 2010, 12.47 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The required contributions to SERS for the period under review could not be determined; however \$0 and \$5,196, \$24,600, \$55,626, \$13,602, \$7,675, and \$1,860 were withheld from state foundation settlements for June 30, 2010, June 30, 2009, June 30, 2008, June 30, 2007, June 30, 2006, June 30, 2005 and June 30, 2004, respectively.



**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007; JUNE 30,  
2006; JUNE 30, 2005; AND JUNE 30, 2004**

**NOTE 4 - PENSION PLANS (Continued)**

**B. State Teachers Retirement System**

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

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

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

Funding Policy - For the fiscal years ended June 30, 2010, June 30, 2009, June 30, 2008, June 30, 2007, June 30, 2006, June 30, 2005 and June 30, 2004, plan members were required to contribute 10 percent of their annual covered salaries. For the fiscal years ended June 30, 2010, June 30, 2009, June 30, 2008, June 30, 2007, June 30, 2006, June 30, 2005 and June 30, 2004, GACS was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The required contributions to STRS for the period under review could not be determined; however \$0 and \$14,337, \$41,430, \$41,256, \$45,288, \$23,340, and \$15,552 were withheld from state foundation settlements for June 30, 2010, June 30, 2009, June 30, 2008, June 30, 2007, June 30, 2006, June 30, 2005 and June 30, 2004, respectively.

**A. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. During the audit period, approximately sixteen employees paid into Social Security. The Board's liability was 6.2 percent of wages.

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007; JUNE 30,  
2006; JUNE 30, 2005; AND JUNE 30, 2004**

**NOTE 5 – POSTEMPLOYMENT BENEFITS**

**A. School Employee Retirement System**

Plan Description – GACS participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. The employer contributions to fund health care benefits were for 2004, was 4.91 percent; for 2005, was 3.43 percent; for 2006, was 3.42 percent; for 2007, was 3.32 percent; for 2008, was 4.18 percent; for 2009, was 4.16 percent of covered payroll. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal years 2004, 2005, 2006, 2007, 2008 and 2009 the minimum pay was established was \$25,400, \$27,400, \$35,800, \$35,800, \$37,300, and \$39,697, respectively. However, for the fiscals years 2004, 2005, 2006 and 2007 the surcharge was capped at two percent of each employer's SERS salaries.

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 the projected claims less premium contributions for the next year. Expenses for health care at June 30, 2006, (the latest information available), were \$158,751,207. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million. There was no available information for June 30, 2007. SERS had 62,000 participants in 2004; 58,123 participants in 2005, and 59,492 participants in 2006 participants eligible to receive benefits.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status. The required contributions to SERS for the period under review could not be determined; however \$0 and \$5,196, \$24,600, \$55,626, \$13,602, \$7,675, and \$1,860 were withheld from state foundation settlements for June 30, 2010, June 30, 2009, June 30, 2008, June 30, 2007, June 30, 2006, June 30, 2005 and June 30, 2004, respectively.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. GACS contributions for Medicare Part B for the fiscal years ended The required contributions to SERS for the period under review could not be determined; however \$0 and \$5,196, \$24,600, \$55,626, \$13,602, \$7,675, and \$1,860 were withheld from state foundation settlements for June 30, 2010, June 30, 2009, June 30, 2008, June 30, 2007, June 30, 2006, June 30, 2005 and June 30, 2004, respectively.

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007; JUNE 30,  
2006; JUNE 30, 2005; AND JUNE 30, 2004**

**NOTE 5 – POSTEMPLOYMENT BENEFITS (Continued)**

**A. State Teachers Retirement System**

Plan Description – The GACS contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians’ fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The required contributions to STRS for the period under review could not be determined; however \$0 and \$14,337, \$41,430, \$41,256, \$45,288, \$23,340, and \$15,552 were withheld from state foundation settlements for June 30, 2010, June 30, 2009, June 30, 2008, June 30, 2007, June 30, 2006, June 30, 2005 and June 30, 2004, respectively.

**NOTE 6- DEBT**

GACS obtained a \$19,598 car loan with an initial interest rate of 8.250% in October 2007 from St. Coleman & Affiliates Federal Credit Union. The financing charges as stated in the loan documents over the term of the loan is \$4,842. The total amount paid over the life of the loan would be \$24,440. GACS provided no amortization schedule for the loan. See the estimated amortization schedule developed below.

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2008	\$1,973	\$990	\$2,963
2009	\$3,158	\$1,290	\$4,448
2010	\$3,421	\$1,024	\$4,445
2011	\$3,702	\$742	\$4,444
2012	\$4,015	\$425	\$4,440
2013	\$3,329	\$371	\$3,700
<b>Totals</b>	<b>\$19,598</b>	<b>\$4,842</b>	<b>\$24,440</b>

As of June 30, 2010, GACS had an outstanding amount of \$11,046 in the car loan per amortization schedule.

**NOTE 7 - RISK MANAGEMENT**

**A. Property and Liability**

GACS was exposed to various risks of loss related to torts; damage to and destruction of assets; errors and omissions; theft; injuries to employees; and natural disasters. An insurance policy was maintained.

**B. Workers’ Compensation**

GACS was a member of the State Workers’ Compensation System. Premiums were calculated by multiplying the monthly total gross payroll by a factor determined by the state.

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007; JUNE 30,  
2006; JUNE 30, 2005; AND JUNE 30, 2004**

**NOTE 8- EMPLOYEE BENEFITS**

GACS provided health policies for their employees of GACS through United Healthcare.

**NOTE 9- MANAGEMENT COMPANY**

GACS employed Greater Education Service Centers, LLP (Management Company) as its management company.

For the fiscal years ended June 30, 2010, June 30, 2009, June 30, 2008, June 30, 2007, June 30, 2006, June 30, 2005 and June 30, 2004, GACS paid approximately \$0, \$0, \$37,720, \$229,033, \$101,500, \$83,438 and \$5,500 respectively, or fifteen percent (15%) of its gross revenues to its management company.

**NOTE 10- RELATED PARTY TRANSACTIONS**

For the fiscal years ended, June 30, 2010, June 30, 2009, June 30, 2008, June 30, 2007, June 30, 2006, June 30, 2005 and June 30, 2004, had transactions with the following related parties:

- Greater Education Service Centers, LLP (Management Company) – Owned by GACS developer/superintendent – 2004, 2005, 2006, 2007, and 2008
- Youth for a Positive Vision – Owned by GACS developer/superintendent – 2004, 2005, 2006, and 2007
- First Restored Temple of Holiness – Owned by GACS developer/superintendent – 2004, 2005, 2006, 2007, and 2008
- Dr. Elijah Scott – Developer/superintendent – 2004, 2005, 2006, 2007, and 2008
- Bernard Taylor – Pastor of First Restored Temple of Holiness and Chief operating officer of Scott Michaels Consultants and Youth for a Positive Vision – 2004, 2005, and 2006
- Scott Michaels Consultants – Owned GACS developer/superintendent - 2004, 2005, and 2006
- Marquel Contracting & Cleaning – Owned by statutory agent of GACS – 2007 and 2008
- Sanders Garrett – Owned by statutory agent of GACS – 2007 and 2008
- Marilynn Smith – GACS Board Member – 2004, 2005, 2006, and 2007
- Cooper Johnson – Owned by a GACS Board Member – 2004, 2005, and 2006
- Dr. David Whitaker– Board member of Sponsor - 2006
- Dr. Jorethia Chuck – Board member of Sponsor - 2007 and 2008
- Exceptional Psychological Services – Owned by board member of Sponsor - 2006
- L&K Business Services – Owned by GACS Treasurer – Performed accounting and payroll services in 2004, 2005, 2006, 2007, and 2008
- Getting Started Inc. – Owned by GACS Treasurer – Performed accounting services in 2004
- Roderick Linton LLP – Employee was a GACS Board Member – 2004, 2005, 2006, and 2007

Greater Education Service Centers, LLP

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2004	\$5,500	Greater Education Service Centers
Total FY 2005	83,438	Greater Education Service Centers
Total FY 2006	101,500	Greater Education Service Centers
Total FY 2007	229,033	Greater Education Service Centers
Total FY 2008	37,720	Greater Education Service Centers
<b>Total</b>	<b>\$457,191</b>	

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007; JUNE 30,  
2006; JUNE 30, 2005; AND JUNE 30, 2004**

**NOTE 10- RELATED PARTY TRANSACTIONS (Continued)**

Youth for a Positive Vision

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2004	\$7,500	Youth for a Positive Vision
Total FY 2005	86,584	Youth for a Positive Vision
Total FY 2006	79,400	Youth for a Positive Vision
Total FY 2007	62,000	Youth for a Positive Vision
<b>Total</b>	<b>\$235,484</b>	

First Restored Temple of Holiness

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2004	\$2,100	First Restored Temple of Holiness
Total FY 2005	35,710	First Restored Temple of Holiness
Total FY 2006	46,200	First Restored Temple of Holiness
Total FY 2007	48,409	First Restored Temple of Holiness
Total FY 2008	16,000	First Restored Temple of Holiness
<b>Total</b>	<b>\$148,419</b>	

Dr. Elijah Michael Scott

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2004	\$48,618	E. Michael Scott
Total FY 2005	89,000	E. Michael Scott
Total FY 2006	105,950	Elijah Scott
Total FY 2007	2,085	Elijah Scott
Total FY 2008	3,496	Elijah Scott
<b>Total</b>	<b>\$249,149</b>	

Bernard Taylor/Pastor of First Restored Temple of Holiness/COO of Scott Michaels Consultants, Inc., & Youth for Positive Vision

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2004	\$560	Bernard Taylor
Total FY 2005	1,635	Bernard Taylor
Total FY 2006	3,510	Bernard Taylor
<b>Total</b>	<b>\$5,705</b>	

Scott Michaels Consultants

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2004	\$56,904	Scott Michaels Consultants
Total FY 2005	48,121	Scott Michaels Consultants
Total FY 2006	7,499	Scott Michaels Consultants
<b>Total</b>	<b>\$112,524</b>	

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007; JUNE 30,  
2006; JUNE 30, 2005; AND JUNE 30, 2004**

**NOTE 10- RELATED PARTY TRANSACTIONS (Continued)**

Marquel Contracting & Cleaning

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2007	\$63,800	Marquel Contracting & Cleaning
Total FY 2008	35,000	Marquel Contracting & Cleaning
<b>Total</b>	<b>\$98,800</b>	

Sanders Garrett

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2004	\$36,000	Sanders Garrett
Total FY 2005	41,500	Sanders Garrett
Total FY 2006	36,000	Sanders Garrett
Total FY 2007	20,500	Sanders Garrett
<b>Total</b>	<b>\$134,000</b>	

Marilynn Smith/Cooper Johnson

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2004	\$17,650	Marilynn Smith
Total FY 2004	2,500	Cooper Johnson
Total FY 2005	34,924	Cooper Johnson
Total FY 2005	34,704	Marilynn Smith
Total FY 2006	17,220	Cooper Johnson
Total FY 2006	44,873	Marilynn Smith
Total FY 2007	16,616	Marilynn Smith
<b>Total</b>	<b>\$168,487</b>	

Dr. David Whitaker

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2006	\$2,082	Dr. David Whitaker
<b>Total</b>	<b>\$2,082</b>	

Dr. Jorethia Chuck/Exceptional Psychological Services

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2006	\$10,990	Exceptional Psychological Services
Total FY 2007	15,000	Dr. Jorethia Chuck
Total FY 2008	750	Dr. Jorethia Chuck
<b>Total</b>	<b>\$26,740</b>	

Getting Started Inc Escrow/Rene or Renea Woods

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2004	\$31,990	Getting Started Inc Escrow
Total FY 2004	2,000	Rene or Renea Woods
<b>Grand Total 2004</b>	<b>\$33,990</b>	

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007; JUNE 30,  
2006; JUNE 30, 2005; AND JUNE 30, 2004**

**NOTE 10- RELATED PARTY TRANSACTIONS (Continued)**

L&K Business Services/Leslie Phillips - Treasurer

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2004	\$2,349	L&K Business Services
Total FY 2004	500	Leslie Phillips
Total FY 2005	23,114	L&K Business Services
Total FY 2006	33,951	L&K Business Total
Total FY 2006	22,902	Leslie Phillips Total
Total FY 2007	37,305	L&K Business Services
Total FY 2007	37,795	Leslie K. Phillips Total
Total FY 2008	7,360	L&K Business Services
Total FY 2008	3,250	Leslie Phillips
<b>Total</b>	<b>\$168,526</b>	

Roderick Linton, LLP

<b>FY Ended</b>	<b>Amount</b>	<b>Payee</b>
Total FY 2004	\$6,000	Roderick Linton LLP
Total FY 2005	8,000	Roderick Linton LLP
Total FY 2006	20,000	Roderick Linton LLP
Total FY 2007	4,000	Roderick Linton LLP
<b>Total</b>	<b>\$38,000</b>	

**NOTE 11- SUBSEQUENT EVENTS**

On June 30, 2010, GACS was closed by operation of law due to poor academic performance, and for violations of Ohio Revised Code 3314.35 which applies to community schools. See Note 1 Closing of School for additional information.

The disposition of the outstanding balance of the \$11,046 car loan with St. Coleman & Affiliates Federal Credit Union is not known. See Note 6 for additional information.

The disposition of GACS demand deposits of \$1,402 is not known. See Note 3 for additional information.

The disposition of the Capital Assets for GACS is not known. See Note 2 D. for additional information.

Students from GACS registered with Elite Academy of the Arts Community School which was a classroom located in the same building as GACS at the same time both schools were in operation prior to the GACS closing. Dr. Elijah M. Scott is the founder/developer of Elite Academy of the Arts Community School. Ashe Culture Center Inc, was also Elite Academy of the Arts Community School Sponsor. Elite Academy of the Arts Community School is currently in operation as a community school.

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

Greater Achievement Community School  
Attn: Dr. Elijah M. Scott, Superintendent/Developer  
5455 North Marginal Road Suite 521  
Cleveland, Ohio 44114-3951

ASHE Culture Center Inc., Sponsor  
Attn: Dr. Kwa David Whitaker, Ph.D., Esq., Co-Chair  
Attn: Dr. Jorethia L. Chuck, Ph.D., Co-Chair  
2125 Superior Avenue  
Cleveland, Ohio 44114

Ohio Department of Education, Sponsor  
Attn: Joni Hoffman, Director  
25 S. Front Street, Mail Stop 307  
Columbus, Ohio 43215

To Greater Achievement Community School and the Sponsors:

We have selectively tested certain accounts, financial records, files, and reports of Greater Achievement Community School, Cuyahoga County, Ohio, (GACS), as of and for the years ended June 30, 2010, June 30, 2009, June 30, 2008, June 30, 2007, June 30, 2006, June 30, 2005 and June 30, 2004, following Ohio Administrative Code Section 117-4-02. We noted GACS suspended operations on November 6, 2009 and closed as of June 30, 2010. Additionally, we noted Management has not provided a written representation letter. It was noted, GACS has not presented the financial statements and notes in accordance with generally accepted accounting principles, nor was a Management's Discussion and Analysis prepared for each year ended.

Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, internal control over financial reporting, or compliance. We, therefore, express no opinion on these matters.

### Internal Control over Financial Reporting

During our procedures related to the internal control over financial reporting we noted a matter that, in our opinion, may have adversely affected GACS's ability to record, process, summarize and report financial data consistent with assertions in the financial statements. In addition, this matter may have resulted in the occurrence of misstatements that are caused by error or fraud that would not be detected in a timely manner by employees when performing the assigned functions. This matter is described in the Schedule of Findings as item 2010-028.

### **Compliance and Other Matters**

We tested compliance with certain provisions of laws, regulations, contract, and grant agreements applicable to GACS. Noncompliance with these requirements may have impacted GACS's ability to determine financial statement amounts. The results of our tests disclosed instances of noncompliance or other matters that are reported in the accompanying Schedule of Findings as items 2010-001 through 2010-027.

We intent this report solely for the information and use of officials authorized to receive this report under Section 117.26, Ohio Rev. Code, and it is not intended to be and should not be used by anyone other than these specified parties.

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

**Dave Yost**  
Auditor of State

January 31, 2012

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-001</b>
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**Finding for Recovery**

Ohio Rev. Code Section 3314.03(A)(11)(d) requires that each contract entered into between a sponsor and the governing authority of a community school shall specify that the school will comply with Section 149.43 of the Ohio Rev. Code. Ohio Rev. Code Section 149.43(B) states, in part, that all public records shall be promptly prepared and made available for inspection to a person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

During the fiscal years 2004 through 2010, withdrawals of cash and drafts were made from the Greater Achievement Community School's (the School or GACS) St. Coleman's Credit Union account by Elijah M. Scott, Developer/Title Program Coordinator/Superintendent for which supporting documentation was not on file, nor was the purpose or necessity of the cash withdrawals and drafts documented. See the tables below:

FY 2004

Payee is unknown for the following drafts and cash withdrawals below:

<b>Fiscal Year</b>	<b>Transaction Type</b>	<b>Amount</b>
<b>2004</b>	Paid drafts	\$450
<b>2004</b>	Cash withdrawal	\$115
<b>FY 2004 Total</b>		<b>\$565</b>

FY 2005

Payee is unknown for the following drafts below:

<b>Fiscal Year</b>	<b>Transaction Type</b>	<b>Amount</b>
<b>2005</b>	Paid drafts	\$2,780
<b>FY 2005 Total</b>		<b>\$2,780</b>

FY 2006

Payee is unknown for the following cash withdrawals below:

<b>Fiscal Year</b>	<b>Transaction Type</b>	<b>Amount</b>
<b>2006</b>	Cash withdrawals	\$200
<b>FY 2006 Total</b>		<b>\$200</b>

FY 2007

Payee is unknown for the following drafts and cash withdrawals below:

<b>Fiscal Year</b>	<b>Transaction Type</b>	<b>Amount</b>
<b>2007</b>	Cash withdrawals	\$150
<b>2007</b>	Paid drafts	165
<b>FY 2007 Total</b>		<b>\$315</b>

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-001 (Continued)</b>
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FY 2008

Payee is unknown for the following drafts and cash withdrawals below:

Fiscal Year	Transaction Type	Amount
2008	Paid drafts	\$784
2008	Cash withdrawals	7,856
<b>FY 2008 Total</b>		<b>\$8,640</b>

Without appropriate documentation it is not possible to determine if the expenditures were made for a proper public purpose. The failure to maintain adequate support for expenditures could result in a loss of accountability over the School's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the forgoing facts, and pursuant to Section 117.28 of the Ohio Revised Code, a finding for recovery for public monies illegally expended is hereby issued against Elijah M. Scott, Developer/Title Program Coordinator/Superintendent in the amount of \$12,500 and in favor of the Ohio Department of Education.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of this expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. rel. *Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the following individuals, jointly and severally, in favor of the Ohio Department of Education:

Name	Dates	Reason	Amount
Leslie Phillips, Treasurer/Business Manager	February 2004 – July 2006; Nov. 2006 - August 2007	Treasurer Check Signer	\$7,787

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-002</b>
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**Finding for Recovery**

Ohio Rev. Code Section 3314.03(A)(11)(d) requires that each contract entered into between a sponsor and the governing authority of a community school shall specify that the school will comply with Section 149.43 of the Ohio Rev. Code. Ohio Rev. Code Section 149.43(B) states, in part, that all public records shall be promptly prepared and made available for inspection to a person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

During the fiscal years 2004 through 2010, checks and debit memos withdrawals were made from the Greater Achievement Community School's bank accounts to the St. Coleman's Credit Union by Elijah M. Scott, Developer/Title Program Coordinator/Superintendent for which supporting documentation was not on file, nor was the purpose or necessity of the checks and debit memos documented. Further testing revealed that \$45,997 of the amounts listed below were deposited directly into Elijah M. Scott's personal account. The location of the remaining \$27,219 could not be verified. See the listing of the expenditures below:

FY 2004

<b>Fiscal Year</b>	<b>Transaction Type</b>	<b>Amount</b>	<b>Payee</b>
<b>2004</b>	Checks	\$9,697	St. Coleman FCU
<b>2004</b>	Debit memos	7,030	St. Coleman FCU
<b>FY 2004 Total</b>		<b>\$16,727</b>	

FY 2005

<b>Fiscal Year</b>	<b>Transaction Type</b>	<b>Amount</b>	<b>Payee</b>
<b>2005</b>	Debit memos	\$11,487	St. Coleman FCU
<b>FY 2005 Total</b>		<b>\$11,487</b>	

FY 2006

<b>Fiscal Year</b>	<b>Transaction Type</b>	<b>Amount</b>	<b>Payee</b>
<b>2006</b>	Checks	\$18,000	St. Coleman FCU
<b>2006</b>	Debit memos	27,000	St. Coleman FCU
<b>FY 2006 Total</b>		<b>\$45,000</b>	

Without appropriate documentation it is not possible to determine if the expenditures were made for a proper public purpose. The failure to maintain adequate support for expenditures could result in a loss of accountability over the School's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Dr. Elijah M. Scott, Developer/Title Program Coordinator/Superintendent of Greater Achievement Community School, in the amount of \$73,214, in favor of the Ohio Department of Education.

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-002 (Continued)</b>
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Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of this expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. rel. *Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the following individuals, jointly and severally, in favor of the Ohio Department of Education:

Name	Dates	Reason	Amount
Marilyn Smith Gore, Developer/Treasurer	Jan. 2004 – July. 2006	Check Signer	\$64,982
Renee Woods, Board Member/ Treasurer	July 2002 – Dec. 2003	Check Signer	\$7,868
Leslie Phillips, Treasurer/Business Manager	February 2004 – July 2006; Nov. 2006 - August 2007	Treasurer Check Signer	\$64,027

<b>FINDING NUMBER</b>	<b>2010-003</b>
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**Finding for Recovery**

Ohio Rev. Code Section 3314.03(A)(11)(d) requires that each contract entered into between a sponsor and the governing authority of a community school shall specify that the school will comply with Section 149.43 of the Ohio Rev. Code. Ohio Rev. Code Section 149.43(B) states, in part, that all public records shall be promptly prepared and made available for inspection to a person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

During the fiscal year 2004 through 2010, withdrawals of cash from ATM’s, checks to cash, counter checks, mutual fund payments, intra-bank debit and debit memos were made from the Greater Achievement Community School’s Fifth Third bank accounts by Elijah M. Scott, Developer/Title Program Coordinator/Superintendent for which supporting documentation was not on file, nor was the purpose or necessity of these withdrawals documented.

Without appropriate documentation, it is not possible to determine if the expenditures were made for a proper public purpose. The failure to maintain adequate support for expenditures could result in a loss of accountability over the School’s finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-003 (Continued)</b>
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Transaction Date	Transaction Type	Amount
various dates	Counter Checks	\$47,559
various dates	ATM withdrawals	650
various dates	Debit Memos	10,761
various dates	Debit Memo Mutual Fund Withdrawals	1,000
3/15/2004	Official Check	6,507
<b>FY 2004 Total</b>		<b>\$66,477</b>
various dates	Counter Checks	\$8,170
various dates	ATM withdrawals	943
various dates	Checks to Cash	6,444
various dates	Debit Memos	157
various dates	Debits for Memo Mutual Fund Withdrawals	1,200
various dates	Official Checks	9,938
<b>FY 2005 Total</b>		<b>\$26,852</b>
various dates	Counter Checks	\$43,253
various dates	Cash withdrawals	1,102
<b>FY 2006 Total</b>		<b>\$44,355</b>
various dates	Counter Checks	\$6,000
various dates	ATM withdrawals	804
7/13/2006	Debit Memo	50
various dates	Debit Memos Mutual Fund Withdrawals	1,200
various dates	Official Checks	33,542
<b>FY 2007 Total</b>		<b>\$41,596</b>
3/18/2008	Counter Check	\$3,400
2/20/2008	Check to Cash	6,152
7/27/2007	Intra-Bank Debit	100
various dates	Official Check	2,900
<b>FY 2008 Total</b>		<b>\$12,552</b>
various dates	Official Checks	\$36,820
<b>FY 2009 Total</b>		<b>\$36,820</b>

Without appropriate documentation it is not possible to determine if the expenditures were made for a proper public purpose. The failure to maintain adequate support for expenditures could result in a loss of accountability over the School's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-003 (Continued)</b>
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In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Dr. Elijah M. Scott, Developer/Title Program Coordinator/Superintendent of Greater Achievement Community School, in the amount of \$228,652, in favor of the Ohio Department of Education.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of this expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. rel. *Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Revise Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the following individuals, jointly and severally, in favor of the Ohio Department of Education:

Name	Dates	Reason	Amount
Marilyn Smith Gore, Developer/Treasurer	Jan. 2004 – July. 2006	Check Signer	\$94,823
Renee Woods, Board Member/ Treasurer	July 2002 – Dec. 2003	Check Signer	\$43,111
Leslie Phillips, Treasurer/Business Manager	February 2004 – July 2006; Nov. 2006 - August 2007	Treasurer Check Signer	\$99,497
Angela Neeley, Treasurer	August 2006 - October 2006	Treasurer	\$100
David Schneider, Treasurer	July 2008 – June 2010	Treasurer	\$36,820

<b>FINDING NUMBER</b>	<b>2010-004</b>
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**Finding for Recovery Purchase of Alcohol**

**State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)**, provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

**Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper “Public Purpose”** states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect. The Bulletin further states that the Auditor of State’s Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and will issue findings for recovery for such expenditures as manifestly arbitrary and incorrect.



**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-004 (Continued)</b>
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During our testing of expenditures, we noted the School expended/purchased \$187 alcoholic beverages with meals from July of 2004 through April of 2007.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of this expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. rel. *Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Revise Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the following individuals, jointly and severally, in favor of the Ohio Department of Education:

Name	Dates	Reason	Amount
Elijah M. Scott, Developer/Superintendent	July 2003 – June 2010	Check Signer	\$187
Marilyn Smith Gore, Developer/Treasurer	Jan. 2004 – July. 2006	Check Signer	\$131
Renee Woods, Board Member/ Treasurer	July 2002 – Dec. 2003	Check Signer	\$45
Leslie Phillips, Treasurer/Business Manager	February 2004 – July 2006; Nov. 2006 - August 2007	Treasurer Check Signer	\$132

<b>FINDING NUMBER</b>	<b>2010-005</b>
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**Finding for Recovery**

Ohio Rev. Code Section 3314.03(A)(11)(d) requires that each contract entered into between a sponsor and the governing authority of a community school shall specify that the school will comply with Section 149.43 of the Ohio Rev. Code. Ohio Rev. Code Section 149.43(B) states, in part, that all public records shall be promptly prepared and made available for inspection to a person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

During the fiscal years 2004 through 2010, withdrawals by checks to vendors were made from the Greater Achievement Community School’s bank accounts for the purchase of travel, automotive, storage and miscellaneous expenditures by Greater Achievement Community School for which supporting documentation was not on file nor was the purpose or necessity of the withdrawals of debit card purchases documented.

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-005 (Continued)</b>
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**FY 2008**

Transaction Classification	Amount
Travel	\$464
Automotive	1,500
Storage	125
Miscellaneous	3,000
<b>FY 2008 Total</b>	<b>\$5,089</b>

Without appropriate documentation it is not possible to determine if the expenditures were made for a proper public purpose. The failure to maintain adequate support for expenditures could result in a loss of accountability over the School's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of this expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. rel. *Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Revise Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the following individuals, jointly and severally, in favor of the Ohio Department of Education:

Name	Dates	Reason	Amount
Elijah M. Scott, Developer/Superintendent	July 2003 – June 2010	Check Signer	\$2,089
Leslie Phillips, Treasurer/Business Manager	February 2004 – July 2006; Nov. 2006 - August 2007	Treasurer	\$464
Edward Dudley, Treasurer	August 2007 – Dec. 2007	Check Signer	\$4,500

<b>FINDING NUMBER</b>	<b>2010-006</b>
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**Finding for Recovery**

Ohio Rev. Code Section 3314.03(A)(11)(d) requires that each contract entered into between a sponsor and the governing authority of a community school shall specify that the school will comply with Section 149.43 of the Ohio Rev. Code. Ohio Rev. Code Section 149.43(B) states, in part, that all public records shall be promptly prepared and made available for inspection to a person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-006 (Continued)</b>
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During the fiscal years 2004 through 2010, debit card and debit memo purchases were made from the Greater Achievement Community School's bank accounts for the purpose of retail purchases, videos, internet/wireless phones, purchases for animals, dry cleaning, utilities, entertainment, travel, parking, lodging, food/meals, Onstar, gasoline, car washes and moving and storage, and miscellaneous purchases by Greater Achievement Community School for which supporting documentation was not on file nor was the purpose or necessity of the debit card and debit memo purchases documented.

FY 2004

Transaction Classification	Amount
Internet /Wireless Phones	\$1,573
Retail	13,271
Gasoline	1,045
Travel	4,695
Parking	58
Storage	426
Vending Machines	8,437
Onstar	795
Food	3,311
Automotive	106
Miscellaneous	736
Dry Cleaning	626
Video	114
Animal Bills	436
<b>Total FY 2004 Debit Transactions Classification</b>	<b>\$35,629</b>

FY 2005

Transaction Classification	Amount
Internet	\$2,212
Retail	8,092
Gasoline	1,072
Travel	220
Storage	274
Entertainment	224
Onstar	568
Food	2,838
Automotive	158
Miscellaneous	684
<b>Total FY 2005 Debit Transactions Classification</b>	<b>\$16,342</b>

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-006 (Continued)</b>
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FY 2006

Transaction Classification	Amount
Internet	\$970
Retail	2,460
Gasoline	226
Onstar	335
Food	1,660
Lodging	3,006
Automotive/Rentals	708
Miscellaneous	1,998
<b>Total FY 2006 Debit Transactions Classification</b>	<b>\$11,363</b>

FY 2007

Transaction Classification	Amount
Internet	\$1,080
Retail	8,967
Gasoline	87
Parking	145
Travel	4,942
Storage	861
Entertainment	2,220
Lodging	2,380
Automotive/Rentals	1,899
Miscellaneous	232
CCC Metro	125
<b>Total FY 2007 Debit Transactions Classification</b>	<b>\$22,938</b>

FY 2008

Transaction Classification	Amount
Internet	\$325
Retail	4,514
Gasoline	60
Storage	638
Travel	10,082
Food	773
Garnishments	21,141
Automotive/Rentals	352
Miscellaneous	1,463
<b>Total FY 2008 Debit Transactions Classification</b>	<b>\$39,348</b>

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-006 (Continued)</b>
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Without appropriate documentation it is not possible to determine if the expenditures were made for a proper public purpose. The failure to maintain adequate support for expenditures could result in a loss of accountability over the School's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of this expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. rel. *Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the following individuals, jointly and severally, in favor of the Ohio Department of Education:

<u>Name</u>	<u>Dates</u>	<u>Reason</u>	<u>Amount</u>
Elijah M. Scott, Developer/Superintendent	July 2003 – June 2010	Check Signer	\$125,620
Marilyn Smith Gore, Developer/Treasurer/check signer	Jan. 2004 – July. 2006	Check Signer	\$34,803
Rene Woods, Board Member/ Treasurer/check signer	July 2002 – Dec. 2003	Check Signer	\$28,531
Leslie Phillips, Treasurer/Business Manager	February 2004 – July 2006; Nov. 2006 - August 2007	Treasurer Check Signer	\$58,194
Angela Neeley, Treasurer	August 2006 - October 2006	Treasurer	\$593
Edward Dudley, Treasurer	August 2007 – Dec. 2007	Check Signer	\$9,870

<b>FINDING NUMBER</b>	<b>2010-007</b>
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**Finding for Recovery**

***State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)***, provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-007 (Continued)</b>
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**Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper “Public Purpose”** states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect. Review of the Developer Draw and Developer payments determined these payments were not for proper public purpose.

During the fiscal years 2004 through 2010, Dr. Elijah M. Scott, Developer/Title Program Coordinator/Superintendent of Greater Achievement Community School, and Marilyn Smith Gore, Board President, Developer, EMIS Coordinator, received Developer Draw and Developer payments from the School. These payments made by Greater Achievement Community School to Dr. Elijah M. Scott and Marilyn Smith Gore were identified as developer draws 2002 and developer payments and made without supporting documentation and done years after the school began operation. No other documentation was provided to support these payments.

Fiscal Year 2005

<b>Fiscal Year</b>	<b>Transaction Type</b>	<b>Description Payee</b>	<b>Amount</b>	<b>Payee</b>
2005	Check	Developer Draw 2002/Developer Payment	\$35,000	Elijah Scott
2005	Check	Developer/Developer Draw 2002/ Developer Payments	30,500	Marilynn Smith
<b>Total FY 2005</b>			<b>\$65,500</b>	

Fiscal Year 2006

<b>Fiscal Year</b>	<b>Transaction Type</b>	<b>Description</b>	<b>Amount</b>	<b>Payee</b>
2006	Check	Developer Payment	\$51,250	Elijah Scott
<b>Total FY 2006</b>			<b>\$51,250</b>	

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Dr. Elijah M. Scott, Developer/Title Program Coordinator/Superintendent of Greater Achievement Community School, in the amount of \$86,250, and Marilyn Smith Gore, Board President, Developer, EMIS Coordinator, in the amount of \$30,500, in favor of the Ohio Department of Education.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of this expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. rel. *Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Revise Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the following individuals, jointly and severally, in favor of the Ohio Department of Education:

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-007 (Continued)</b>
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Name	Dates	Reason	Amount
Elijah M. Scott, Developer/Superintendent	July 2003 – June 2010	Check Signer	\$30,500
Marilyn Smith Gore, Developer/Treasurer	Jan. 2004 – July. 2006	Check Signer	\$86,250
Leslie Phillips, Treasurer/Business Manager	February 2004 – July 2006; Nov. 2006 - August 2007	Treasurer	\$116,750

<b>FINDING NUMBER</b>	<b>2010-008</b>
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**Finding for Recovery**

Ohio Rev. Code Section 3314.03(A)(11)(d) requires that each contract entered into between a sponsor and the governing authority of a community school shall specify that the school will comply with Section 149.43 of the Ohio Rev. Code. Ohio Rev. Code Section 149.43(B) states, in part, that all public records shall be promptly prepared and made available for inspection to a person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

During the fiscal years 2004 through 2006, Positive Returns, Inc. provided services to the school for "Supervising the Treasurer's Bond." Positive Returns, Inc. received payments in the total amount of \$1,000 in FY 06. There was no documentation that such contract was approved by the Board or any other indication that the services were for a proper public purpose.

Fiscal Year 2006

Transaction Date	Check number	Amount	Payee
8/15/2005	3281	\$250	Positive Returns, Inc.
11/15/2005	3608	250	Positive Returns, Inc.
12/15/2005	3689	250	Positive Returns, Inc.
1/15/2006	3826	250	Positive Returns, Inc.
<b>FY 2006 Total</b>		<b>\$1,000</b>	

Without appropriate documentation it is not possible to determine if the expenditures were made for a proper public purpose. The failure to maintain adequate support for expenditures could result in a loss of accountability over the School's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Positive Returns, Inc. in the amount of \$1,000 in favor of the Ohio Department of Education.

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-008 (Continued)</b>
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Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of this expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. rel. *Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the following individuals, jointly and severally, in favor of the Ohio Department of Education

Name	Dates	Reason	Amount
Elijah M. Scott, Developer/Superintendent	July 2003 – June 2010	Check Signer	\$1,000
Marilyn Smith Gore, Developer/Treasurer	Jan. 2004 – July. 2006	Check Signer	\$1,000
Leslie Phillips, Treasurer/Business Manager	February 2004 – July 2006; Nov. 2006 - August 2007	Treasurer	\$1,000

<b>FINDING NUMBER</b>	<b>2010-009</b>
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**Finding for Recovery**

Ohio Rev. Code Section 3314.03(A)(11)(d) requires that each contract entered into between a sponsor and the governing authority of a community school shall specify that the school will comply with Section 149.43 of the Ohio Rev. Code. Ohio Rev. Code Section 149.43(B) states, in part, that all public records shall be promptly prepared and made available for inspection to a person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

The testing noted one payment to Ashe Culture Center for \$1,000 for which no description of service or services was documented and no supporting documentation was provided. There was no supporting documentation on file, no documentation was approved the Board, nor was the purpose or necessity of the payment documented.

**Fiscal Year 2005**

Transaction Date	Check Number	Amount	Payee
8/27/2004	2353	\$1,000	Ashe Culture Center
<b>FY 2005 Total</b>		<b>\$1,000</b>	



**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-009 (Continued)</b>
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Without appropriate documentation it is not possible to determine if the expenditures were made for a proper public purpose. The failure to maintain adequate support for expenditures could result in a loss of accountability over the School's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Ashe Culture Center in the amount of \$1,000 in favor of the Ohio Department of Education.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of this expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. rel. *Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Revise Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the following individuals, jointly and severally, in favor of the Ohio Department of Education:

Name	Dates	Reason	Amount
Elijah M. Scott, Developer/Superintendent	July 2003 – June 2010	Check Signer	\$1,000
Marilyn Smith Gore, Developer/Treasurer	Jan. 2004 – July. 2006	Check Signer	\$1,000
Leslie Phillips, Treasurer/Business Manager	February 2004 – July 2006; Nov. 2006 - August 2007	Treasurer	\$1,000

<b>FINDING NUMBER</b>	<b>2010-010</b>
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**Finding for Recovery**

Ohio Rev. Code Section 3314.03(A)(11)(d) requires that each contract entered into between a sponsor and the governing authority of a community school shall specify that the school will comply with Section 149.43 of the Ohio Rev. Code. Ohio Rev. Code Section 149.43(B) states, in part, that all public records shall be promptly prepared and made available for inspection to a person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

During the fiscal years 2004 through 2010, Dr. Elijah M. Scott, Developer/Title Program Coordinator/Superintendent of Greater Achievement Community School, received payments, in addition to his salary, for which no documentation was provided.

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-010 (Continued)</b>
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Fiscal Year 2006

Fiscal Year	Amount	Payee	Description
2006	\$750	Elijah Scott	Carol McDaniel Loan
2006	108	Elijah Scott	Reimbursement for payments to U-Store it
2006	683	Elijah Scott	Advertising Reimbursement
<b>Total FY 2006</b>	<b>\$1,541</b>		

Fiscal Year 2007

Fiscal Year	Amount	Payee	Description
2007	\$1,231	Elijah Scott	Reimbursement for Food for Board meeting
2007	450	Elijah Scott	to cover needs at teaching seminar
2007	240	Elijah Scott	Playhouse Square Parking
<b>Total FY 2007</b>	<b>\$1,921</b>		

Fiscal Year 2008

Fiscal Year	Amount	Payee	Description
2008	96	Elijah Scott	Comfort Inn
<b>Total FY 2008</b>	<b>\$96</b>		

Without the appropriate Board approval for these expenditures or contract approved by the Board of Trustees for these expenditures, this could result in a loss of accountability over the School's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Dr. Elijah M. Scott, Developer/Title Program Coordinator/Superintendent of Greater Achievement Community School, in the amount of \$3,558, in favor of the Ohio Department of Education.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of this expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. rel. *Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Revise Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the following individuals, jointly and severally, in favor of the Ohio Department of Education:

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-010 (Continued)</b>
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Name	Dates	Reason	Amount
Marilyn Smith Gore, Developer/Treasurer	Jan. 2004 – July. 2006	Check Signer	\$1,541
Leslie Phillips, Treasurer/Business Manager	February 2004 – July 2006; Nov. 2006 - August 2007	Treasurer Check Signer	\$2,231
Angela Neeley, Treasurer	August 2006 - October 2006	Treasurer	\$1,231
Edward Dudley, Treasurer	August 2007 – Dec. 2007	Check Signer	\$96

<b>FINDING NUMBER</b>	<b>2010-011</b>
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**Finding for Recovery**

Ohio Rev. Code Section 3314.03(A)(11)(d) requires that each contract entered into between a sponsor and the governing authority of a community school shall specify that the school will comply with Section 149.43 of the Ohio Rev. Code. Ohio Rev. Code Section 149.43(B) states, in part, that all public records shall be promptly prepared and made available for inspection to a person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

During the fiscal years 2004 through 2005, Youth for a Positive Vision Inc., received payments for fall inventory, and reimbursements. There was no documentation related to these payments. The payments totaled \$10,787. There was limited evidence of supporting documentation that detailed the services provided to GACS. There was no evidence the contract or the expenditures were approved by the Board of Trustees.

Fiscal Year 2004

Fiscal Year	Transaction Type	Amount	Payee	Description
2004	Check	\$7,500	Youth for a Positive Vision	No description of service
<b>FY 2004 Total</b>		<b>\$7,500</b>		

Fiscal Year 2005

Fiscal Year	Transaction Type	Amount	Payee	Description
2005	Check	\$1,500	Youth for a Positive Vision	Fall Inventory
2005	Check	\$1,787	Youth for a Positive Vision	Reimbursements
<b>FY 2005 Total</b>		<b>\$3,287</b>		

Without the appropriate Board of Trustees approval for these expenditures or contract, there could result in a loss of accountability over the School's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007;  
JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-011 (Continued)</b>
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In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Youth for a Positive Vision, Inc. in the amount of \$10,787, in favor of the Ohio Department of Education.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of this expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. rel. *Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Revise Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the following individuals, jointly and severally, in favor of the Ohio Department of Education:

Name	Dates	Reason	Amount
Elijah M. Scott, Developer/Superintendent	July 2003 – June 2010	Check Signer	\$10,787
Marilyn Smith Gore, Developer/Treasurer	Jan. 2004 – July. 2006	Check Signer	\$3,287
Rene Woods, Board Member/ Treasurer	July 2002 – Dec. 2003	Check Signer	\$7,500
Leslie Phillips, Treasurer/Business Manager	August 2006 – Oct. 2006	Treasurer	\$3,287

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**Noncompliance**

2 C.F.R. Part 225 (formerly known as OMB Circular A-87), Appendix A, Section A.2 states that governmental units assume responsibility for administrating Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award. Appendix A, Section C.1.j provides that for a cost to be allowable, the expenditure must be adequately documented.

In fiscal years 2004, 2005, 2006, 2007, and 2008, the grant funds listed below were sent to Greater Achievement Community School and their management company. The federal funds were not properly segregated to provide accounting records, so federal expenditures could be traced to invoices, checks, supporting documentation. The grants and their related expenditures are noted below by fiscal year:

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**Program 2004; 2005; 2006; 2007; and 2008 Totals**

Programs:	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total
Title I Disadvantaged Children Targeted Assistance, CFDA 84.010	\$88,104	\$45,048	\$47,820	\$224,512	\$21,745	\$427,229
Drug Free Schools, CFDA 84.186	793	257	2,010	387	2,095	5,542
Title V Innovative Education Program, CFDA 84.298	227	6	603	217	75	1,128
Title II, Part D, Technology, CFDA 84.318	2,230	955	924	3,586	171	7,866
Improving Teacher Quality State Grants (Title II, Part A), CFDA 84.367	4,207	928	3,280	9,392	1,322	19,129
Special Education Cluster Grants To States (IDEA, Part B) CFDA 84.027	0	0	54,810	32,215	11,155	98,180
Preschool Special Education Grant CFDA 84.173	0	0	0	0	138	138
<b>Total</b>	<b>\$95,561</b>	<b>\$47,194</b>	<b>\$109,447</b>	<b>\$270,309</b>	<b>\$36,701</b>	<b>\$559,212</b>

**Noncompliance – Improving Teacher Quality Allowable Expenditures**

Section 9101(34) of the ESEA, 20 USC 6602(34) states Consistent with the Local Education Agency’s (LEAs) assessment of need for professional development and hiring, LEAs may use funds for a broad span of activities designed to improve teacher quality that are identified in Section 2123(a) of the ESEA.

Examples of allowable activities include: (1) providing “professional development”; (2) developing and implementing a wide variety of strategies and activities to recruit, hire, and retain highly qualified teachers and principals; (3) developing and implementing initiatives to promote retention of highly qualified teachers and principals; (4) carrying out professional development programs to assist principals and superintendents in becoming outstanding managers and educational leaders; and (5) carrying out teacher advancement initiatives that promote professional growth and emphasize multiple career paths and pay differentiation, and establish programs and activities related to exemplary teachers. LEAs also may use funds to hire teachers to reduce class size (Sections 2101 and 2123(a) of the ESEA (20 USC 6601 and 6623(a))).

The Title II-A Improving Teacher Quality Grant expenditures totaled \$19,129 for the audit period.

**Noncompliance – Safe and Drug-Free Schools Grant Allowable Expenditures**

Title IV, Part A, Subpart 1 of the Elementary and Secondary Education Act (ESEA) of 1965, as amended states, drug prevention programs must convey a clear and consistent message that the illegal use of

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alcohol and other drugs is wrong and harmful. This program is subject to maintenance of effort requirements. Safe and Drug Free Schools Act (as amended) and the Pro-Children Act of 1994, prohibits smoking in certain facilities in which education, library, day care, health care and early childhood development (including WIC and Head Start) services are provided to children. In accordance with section 1043(d) of the Act, the Secretary of Health and Human Services is publishing the prohibitions which restrict smoking in certain indoor facilities.

The Drug Free Schools Grant expenditures totaled to \$5,542 for the audit period.

**Noncompliance – Innovative Programs Allowable Expenditures**

Assurance #7 of ODE Generic Standard Assurance states that the SUBGRANTEE will maintain records, including the records required under Section 437 of the General Education Provisions Act ("GEPA"), 20 U.S.C. Section 1221, and provide access to those records as ODE or the DEPARTMENT and the Comptroller General or any of their authorized representatives in the conduct of audits as authorized by Federal Law or State Statute. This cooperation includes access without unreasonable restrictions to its records and personnel for the purpose of obtaining relevant information.

The Title V - LEA Allocation Grant expenditures totaled \$1,128 for the audit period.

**Noncompliance – Technology Grant Allowable Expenditures**

34 CFR section 299.2 provides the written fiscal and administrative requirements must: (a) be sufficiently specific to ensure that funds are used in compliance with all applicable statutory and regulatory provisions, including ensuring that costs are allocable to a particular cost objective; (b) ensure that funds received are spent only for reasonable and necessary costs of the program; and (c) ensure that funds are not used for general expenses required to carry out other responsibilities of State or local governments.

Title II-D Education Technology Grant funds were to be spent on the following: 1) Acquiring, expanding, and maintaining existing/new technology to support school reform and technology literacy; 2) Providing high quality professional development to all core subject teachers to integrate advanced technologies into curricula and instruction.

The Title II-D Education Technology Grant expenditures totaled to \$7,866 for the audit period.

**Noncompliance – Special Education Allowable Expenditures**

Assurance #7 of ODE Generic Standard Assurance states that the SUBGRANTEE will maintain records, including the records required under Section 437 of the General Education Provisions Act ("GEPA"), 20 U.S.C. Section 1221, and provide access to those records as ODE or the DEPARTMENT and the Comptroller General or any of their authorized representatives in the conduct of audits as authorized by Federal Law or State Statute. This cooperation includes access without unreasonable restrictions to its records and personnel for the purpose of obtaining relevant information.

The ESAS IDEA Part B Grant expenditures which totaled \$98,180 (FY 2004 was \$0; FY 2005 was \$0; FY 2006 was \$54,810; FY 2007 was \$32,215; and FY 2008 was \$11,155) for the audit period.

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**Noncompliance – Title I, Section 1115 of ESEA**

20 USC 6314 provides that allowable activities include, but are not limited to, instructional programs, counseling, mentoring, other pupil services, college and career awareness and preparation, services to prepare students for the transition from school to work, services to assist preschool children in the transition to elementary school programs, parental involvement activities, and professional staff development.

The total amount of the Title I, Section 1115 of ESEA federal program expenditures were \$427,229 for the audit period. The total amount of the Preschool Special Education Grant federal program expenditures were \$138 for the audit period.

During our engagement to audit the financial records of the School, we were unable to determine if the School complied with the requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*. The School did not provide documentation to enable a review of the compliance with the circular. The School did not provide coding of the federal expenditures or maintain the accounting records in an organized fashion in which expenditures could be traced to invoices, checks, supporting documentation or supporting payroll documentation. There was no coding to denote invoices, expenditures (both payroll and non-payroll) or supporting documentation for the federal expenditures. We were not provided with documentation of student files, records or other supporting documentation which would indicate eligibility to participant in the program. We had no capital asset records to identify any equipment which was purchased with the program funds

Had this been a federal Single Audit, the amounts mentioned above could have been questioned costs.

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**Noncompliance - Federal School Breakfast and Lunch Programs**

2 C.F.R. Part 225, Appendix A, Section C.1.j provides that for a cost to be allowable, the expenditure must be adequately documented. Appendix C, Section A.1 also provides that all costs and other data used to distribute the costs included in the plan should be supported by formal accounting and other records that will support the propriety of the costs assigned to Federal awards.

7 C.F.R. Sections 210.7, (b) & (c) state, in part, that the total general and special cash assistance reimbursement paid to any school food authority for lunches served to children during the school year are not to exceed the sum of the products obtained by multiplying the total reported number of lunches, by type, served to eligible children during the school year by the applicable maximum per lunch reimbursements prescribed for the school year for each type of lunch. Additionally, to be entitled to reimbursement under this part, each school food authority shall ensure that Claims for Reimbursement are limited to the number of free, reduced price and paid lunches and meal supplements that are served to children eligible for free, reduced price and paid lunches and meal supplements, respectively, for each

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day of operation. To ensure that the Claim for Reimbursement accurately reflects the number of lunches and meal supplements served to eligible children, the school food authority shall, at a minimum:

- (i) Correctly approve each child's eligibility for free and reduced price lunches and meal supplements based on the requirements prescribed under 7 CFR part 245;
- (ii) Maintain a system to issue benefits and to update the eligibility of children approved for free or reduced price lunches and meal supplements.

We were unable to determine if the School complied with the requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*. The School did not provide documentation to enable a review of the compliance with the circular. We were not provided with applications for free and reduced lunch or breakfast from the students, we were not provided with eligibility determinations, the School did not provide evidence that the reporting requirements were met, and no evidence was provided number of lunches or breakfasts served. Due to this, it could not be determined if the amount of meals purchased from Sanese Services, the School's food vendor, was reasonable, based on the number of students in attendance each day. The School received \$72,878 (FY 2004 was \$3,880; FY 2005 was \$11,121; FY 2006 was \$23,906; FY 2007 was \$13,739; FY 2008 was \$18,627; FY 2009 was \$1,605 and FY 2010 was \$0) in federal funds used to pay for student breakfasts. The School also received \$244,137 (FY 2004 was \$8,966; FY 2005 was \$35,320; FY 2006 was \$80,584; FY 2007 was \$52,074; FY 2008 was \$61,095; FY 2009 was \$6,098 and FY 2010 was \$0) in federal funds used to pay for student lunches.

Had this been a Federal Single Audit the amounts mentioned above could have been questioned costs.

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**Noncompliance – Undocumented Enrollment for State Foundation Funding**

**Ohio Revised Code, Section 3314.03(A)(11)(a)** states that the contract between a sponsor and the governing authority must specify that the school will provide learning opportunities to a minimum of twenty five students for a minimum of nine hundred twenty hours per school year.

Enrollment numbers are submitted through the Education Management Information System (EMIS) to the Ohio Department of Education (ODE) and are used to determine the amount of State Foundation money each school receives. Ohio's State Funding Formula is a foundation program with an assumed local share of charge-off being subtracted from the basic program costs to determine the state formula aid. The basic program cost is the current year formula amount times the current year formula average daily membership plus the sum of four base funding supplements, called "building blocks." These building blocks are funding for intervention, professional development, data based decision making and professional development for data based decision making. The per pupil formula amount is set by the legislature.

During the audit period of July 1, 2003 through June 30, 2010, at Greater Achievement Community School there were no:



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- Student files to show how many students attended the school and the duration of attendance;
- Records documenting how many hours the school was in session or what type of instruction was offered;
- Attendance sheets;
- Documentation over enrollment/withdrawal dates of its students; and
- Official student rosters.

The assurance of 920 hours of instruction to each student could not be determined, and Greater Achievement Community School did not provide support for the student attendance figures reported to Ohio Department of Education (ODE).

As a result, State Foundation payments totaling \$625,683 in fiscal year 2004; \$1,307,617 in fiscal year 2005; \$1,509,485 in fiscal year 2006; \$1,496,919 in fiscal year 2007; \$1,208,662 in fiscal year 2008; and \$312,993 in fiscal year 2009 (\$0 in fiscal year 2010) was unsubstantiated and was not in accordance with ORC 3314.03 (A)(11)(a).

This matter has been referred to Ohio Department of Education (ODE).

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**Noncompliance - Unsupported Expenditures**

**Ohio Rev. Code Section 3314.03(A)(11)(d)** requires that each contract entered into between a sponsor and the governing authority of a community school shall specify that the school will comply with Section 149.43 of the Ohio Rev. Code. **Ohio Rev. Code Section 149.43(B)** states, in part, that all public records shall be promptly prepared and made available for inspection to any person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

During our review of the records we noted the following:

- Records presented were not in order. The expenditures and receipt records were unorganized and comingled with other fiscal years and there were no invoices or receipts to support payments or revenue;
- Numerous cancelled checks and banks statements were missing and those available were not consistently maintained and voided checks were not consistently maintained;
- No expenditure ledgers were provided; however the School attempted a reconstruction of the records based on a list of Bank expenditures for several months labeled Reconciliation Detail;
- No check registers were provided for the audit period;
- No minutes were provided approving the expenditures or contracts for the fiscal years 2004, 2005, 2006, 2009 and 2010. There were only five documented minute sessions. The minutes sessions were for Aug 2, 2006, October 25, 2006, July 25, 2007, July 31, 2007 (an executive session), and August 22, 2007) for the meetings recorded in FY 2007 and FY 2008. The minutes were limited in details on the financial transactions;
- Numerous electronic transfer payments were made to vendors without approval;
- Numerous ATM withdrawals and checks made payable to cash were done without supporting documentation for the purpose or necessity of the expenditure;

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- Numerous Official and Bank Cashier's checks were issued without supporting documentation for the purpose or necessity of the expenditure;
- Miscellaneous reimbursements were made to the School Board, management, and employees without detailed support, such as receipts and/or other supporting documentation;
- Bank accounts were not reconciled. There were no books to reconcile to so the reconstruction of bank reconciliations that were performed were bank to bank; Bank reconciliations performed could not be traced to any ledgers;
- There were no complete listing of employees, the contract employees and their positions;
- No Payroll Register that could be traced to the fund charged for the fiscal years 2004, 2005; 2006, 2007, 2009, and 2010;
- No listing of the Board members, their terms or their contact information for FY 04 through FY 2010;
- No coding of any receipts or expenditures for FY 2004 through FY 2010;
- Non-existent capital asset records;
- There were no listing of inventory records or capital asset records to denote the inventory or capital assets purchased with federal funds and non-federal funds;
- There were missing contracts and leases for non-payroll expenditures;
- No documentation or evidence of the Board's review or approval of the financial activity of the School;
- No student records were maintained;
- No student rosters or attendance records were maintained;
- No applications for the National School Lunch and Breakfast Program were provided or maintained;
- No W-2's were provided for FY 2005, FY 2006, FY 2008, FY 2009 and FY 2010;
- No 1099's were provided for FY 2004, FY 2005, FY 2006, FY 2008, FY 2009 and FY 2010;
- No duplicate cash receipt book was maintained for "over the counter" cash receipts for fiscal years 2004, 2005, 2006, 2009 and 2010;
- No deposit slips for cash deposits were located; and
- Missing employee contracts and personnel files were noted;

The above weaknesses and lack of record keeping greatly increased the possibility for fraud and abuse related to non payroll transactions. These weaknesses significantly reduced management's ability to effectively monitor the finances and make appropriate operating decisions. Further, it could not be determined if the School over compensated the individuals and vendors from FY 2004 through 2010.

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**Noncompliance - Record of Minutes/Holding Public Meetings**

Ohio Rev. Code § 121.22(C) provides that all meetings of any public body are to be open to the public at all times. A member of a public body must be present in person at a meeting open to the public to be considered present or to vote and for determining whether a quorum is present. The minutes of a regular or special meeting of any such public body shall be promptly recorded and open to public inspection. The minutes need only reflect the general subject matter of discussions in executive sessions.

Ohio Rev. Code § 121.22(F) provides that every public body shall, by rule, establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time,

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place, and purpose of all special meetings. A public body shall not hold a special meeting unless it gives at least twenty-four hours advance notice to the news media that have requested notification, except in the event of any emergency requiring immediate official action. In the event of an emergency, the member or members calling the meeting shall notify the news media that have requested immediate notification.

Ohio Rev. Code Section 121.22 (C) states that the minutes of a regular or special meeting of any public body shall be promptly prepared, filed, and maintained and shall be open to public inspection.

It is the responsibility of the governing board to oversee the School's operation and make decisions to ensure the entity's goals and objectives are complete. The Board minutes represent the official record of the School's events and resolutions passed by the Board.

The Board should stay apprised of financial matters throughout the fiscal year. During the audit, we noted the following items:

- Restaurant receipts note numerous Board meetings with only two guests on the receipt and no evidence of Board meeting minutes being maintained nor was there evidence to the public of the location of the Board meetings held at restaurants. These meetings should have been open to the public. However, the School did not provide evidence that the public was notified of the meeting time, place or purpose;
- Not all employee salaries and approval to hire employees were noted in the Board minutes for the FY 2004, 2005, 2006, 2007, 2009 and 2010. Therefore, there was no evidence that these salaries were being approved by the Board;
- We could not verify the Board approval of the contracts or the expenditures because we were provided only five Board meetings minute records (August 2, 2006, October 25, 2006, July 25, 2007, July 31, 2007 and August 22, 2007) over the course of seven years; and
- For the Board meeting noted above, these are required to be open to the public. However, the School did not provide evidence that the public was notified of the meeting time, place or purpose.

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**Noncompliance - Five Year Forecast**

Ohio Revised Code Section 3314.03(A)(15) requires the School prepare a financial plan detailing an estimated school budget for each year of the period of the contract and specify the total estimated per pupil expenditure amount for each such year. The plan shall specify the yearly base formula amount that will be used for purposes of funding calculations under section 3314.08 of the Ohio Revised Code. This base formula amount for any year shall not exceed the formula amount defined under section 3317.02 of the Ohio Revised Code.

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Ohio Admin Code Section 3301-92-04 (A) states that upon the adoption of an annual appropriation measure but no later than October thirty-first of each fiscal year, a board of education shall submit to the department of education a five-year projection of revenues and expenditures for the current fiscal year and the ensuing four fiscal years. Subsection (F) states that a board of education shall update its five-year projection between April first and May thirty-first of each fiscal year and submit it to the department of education.

For FY 2004, FY 2005, FY 2006, FY 2007, FY 2009 and FY 2010, there was no evidence that Greater Achievement School's prepared and submitted a five year forecast. The School did submit a five year forecast for October of FY 2008, but did not submit an updated five year forecast in May of 2008.

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**Noncompliance – Filing of Annual Financial Reports**

Ohio Revised Code Section 3314.03(A)(8) provides that the contract between a sponsor and the governing authority of a community school shall require that a community school maintain its financial records in the same manner as school districts. Ohio Revised Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-2-03 further clarifies the requirements of Ohio Revised Code Section 117.38.

The School's financial statements were required to be prepared using generally accepted accounting principles (GAAP) which is designed to enhance the decision-making capabilities of the Board, those charged with the operations of the school, and others with regulatory interests in the results of operations and available resources of the School. GAAP basis financial statements provide financial statement users with an accurate financial picture of the school's results of operations and available resources by including accrued assets, liabilities, revenues and expenses. The School did not provide GAAP basis financial statements for July 1, 2003 through June 30, 2010. In addition, the School did not provide financial statements on another basis of accounting.

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**Noncompliance - Licensed Teachers**

**Ohio Rev. Code Section 3314.03(A)(10)**, provides that all community school classroom teachers are to be licensed in accordance with Ohio Revised Code Sections 3319.22 to 3319.31, except that a community school may engage non-certificated persons to teach up to twelve hours per week pursuant to Ohio Revised Code Section 3319.301. A permit must be issued by the Ohio Department of Education to these "non-certificated" persons in order to teach. Also, 34 C.F.R. Section 200.56, requires Title I teachers to be highly qualified as defined in this section.

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During the fiscal years 2004, 2005, 2007, 2008 and 2009 it was noted the School did not maintain all teaching certificates, diplomas or copies of degrees for any of the school's teachers. There was also no evidence that any certification or degree was verified by the School. Along with this, the School did not maintain any documentation to support the hiring of non-certified personnel, or "highly qualified" personnel for title programs. Also, there was no supporting documentation/evidence provided that non-certificated persons limited to teach up to twelve hours per week pursuant to Ohio Revised Code Section 3319.301 complied with this limitation.

During the fiscal year 2004, it was noted the School did not maintain 2 of the 7 teaching certificates, no diplomas or copies of degrees for the school's teachers; fiscal year 2005, it was noted the School did not maintain 3 of the 5 teaching certificates, no diplomas or copies of degrees for the school's teachers; fiscal year 2006, it was noted the School did not maintain 1 of the 5 teaching certificates, no diplomas or copies of degrees for the school's teachers; fiscal year 2007, it was noted the School did not maintain 1 of the 4 teaching certificates, no diplomas or copies of degrees for the school's teachers; fiscal year 2008, it was noted the School did not maintain 11 of the 11 teaching certificates, no diplomas or copies of degrees for the school's teachers; fiscal year 2009, it was noted the School did not maintain 4 of the 4 teaching certificates, no diplomas or copies of degrees for the school's teachers;. There was also no evidence that any certification or degree was verified by the School. Along with this, the School did not maintain any documentation to support the hiring of non-certified personnel, or "highly qualified" personnel for title programs. Also, there was no supporting documentation/evidence provided that non-certificated persons limited to teach up to twelve hours per week pursuant to Ohio Revised Code Section 3319.301 complied with this limitation.

<b>FINDING NUMBER</b>	<b>2010-020</b>
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**Noncompliance – Fiscal Officer Designation Bonding Requirement**

Ohio Revised Code Section 3314.011 requires that the School designate an individual as the fiscal officer. The Ohio Administrative Code Section 117-6-07 requires that the fiscal officer execute a bond prior to entering upon the duties of the fiscal officer. Subsection (B) (1) provides that the bond amount and surety is to be established by resolution of the governing authority. Subsection (B) (3) states that bonding is conditioned on the faithful performance of the employee's official duties. Should an error or theft occur without a performance bond, the School may not be able to recover any funds that are lost. In addition, Ohio Revised Code Section 3314.011 provides that prior to assuming the duties of fiscal officer, the officer designee shall be licensed as prescribed by section 3301.074 of the Revised Code or shall complete not less than sixteen hours of continuing education classes in the area of school accounting as approved by the sponsor of the community school. Any fiscal officer who is not licensed under this section shall complete an additional twenty-four hours of continuing education within one year after assuming the duties of fiscal officer of the school.

The School did not provide any bonds or evidence of the continuing education classes for its treasurers to the auditors.

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JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-021</b>
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**Noncompliance - Liability Insurance**

Ohio Revised Code Section 3314.03(11)(b) states that each contract entered into between the sponsor and the governing authority of a community school must specify that the governing authority will purchase liability insurance, or otherwise provide for the potential liability of the school.

The auditors found two automobile liability insurance policies for FY 2007 and FY 2008. There was no evidence of any overall liability insurance policy for the time period of July 1, 2003 through June 30, 2010. Although there were payments made to insurance companies, no documentation was provided to demonstrate that the payments were for liability insurance, and no policy was provided to demonstrate that such coverage existed.

<b>FINDING NUMBER</b>	<b>2010-022</b>
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**Noncompliance – Annual Report of Activities**

Ohio Revised Code Section 3314.03(A) (11) (g) provides that the community school's governing authority is required to submit an annual report of its activities and progress in meeting the goals and standards of Ohio Revised Code Section 3314.03(A)(3) and (4) (academic goals to be achieved and method of measurements to determine progress and performance standards to evaluate a school's success) and its financial status to the sponsor, the parents of all students enrolled in the school, and the legislative office of education oversight. The report must be submitted within four months after the end of each school year. The School must collect and provide any data that the legislative office of education oversight requests in furtherance of any study or research that the General Assembly requires the office to conduct.

The School failed to provide the required annual reports of its activities and progress in meeting the goals and standards as required by the above Ohio Revised Code Section, as well as, its financial status to the sponsor, the parents of all students enrolled in the School and the legislative office of education oversight for the audit period.

<b>FINDING NUMBER</b>	<b>2010-023</b>
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**Noncompliance - Community School Closing Procedures**

Ohio Rev. Code Section 3314.015(E) requires the Ohio Department of Education to adopt procedures for use by a community school governing authority and sponsor when the school permanently closes and ceases operation. The guidance covers requirements of law, including aspects of federal and state funding requirements; actions taken and not taken by sponsors in the past; as well as relevant information which may be needed at some future point, after a school closes.

Ohio Rev. Code Section 3314.03 (D) states the contract shall specify the duties of the sponsor which shall be in accordance with the written agreement entered into with the department of education under division (B) of section 3314.015 of the Revised Code and shall include the following: (6) Have in place a plan of action to be undertaken in the event the community school experiences financial difficulties or closes prior to the end of a school year. When the school closes the following actions should be taken:

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CUYAHOGA COUNTY**

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JUNE 30, 2006; JUNE 30, 2005; AND JUNE 30, 2004  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-023 (Continued)</b>
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- Notify ODE, STRS and SERS, and the sponsor that the school is closing.
- Arrange for dissemination of all school records to students' districts of residence, with a list of all records and their destination sent to the sponsor.
- Arrange to send all school's non-student, non-personnel records to the sponsor.
- Inform the school's staff of the decision to close the school.
- Review the history of the school, provide the reasons for closing, and share the school's commitment to the staff (facilitate employment, ensure STRS and SERS contributions, clarify medical benefits, Ensure that each faculty's LPDC information is current and available to the teachers, etc.).
- Notification to the resident districts and other stakeholders of the decision to close the school.
- Inform the students and parents of the decision to close the school.
- Inform the public.
- Schedule a final Full Time Equivalency (FTE) review.
- Notify the Information Technology Center and arrange for a method by which all outstanding EMIS data will be reported.
- Notify the traditional public school district in which the community school is located and traditional public school districts providing transportation to the community school.
- Account for all school property throughout the closing (utilize fixed assets list and inventory to account for all items).
- Review the financial records of the school.
- Establish date, after school has closed to make disposition of the school's property; (notify all other community schools and traditional public schools of the date of the sale).
- Make disposition of school fixed assets purchased with federal funds according to the EDGAR liquidation procedures in 34 CFR 80.32 including disposition for items valued at \$5,000 or greater.
- Verify that the Auditor of State has been contacted and a financial audit date established.
- Prepare financial statements for audit.
- Submit financial statements to the Auditor of State including the results of the property sales.
- Utilize proceeds and foundation dollars and any other income to pay the following order.
- STRS and SERS retirement and other adjustments, teachers and staff, employment taxes and federal taxes, audit preparation, private creditors, state treasury general revenue fund and grant status with Final Expenditure Reports (FERs) and obligations.
- Arrange for an accounting firm or the Auditor of State to verify the following financial information:
  - complete cash analysis;
  - compile bank statements for the year and give to the sponsor;
  - document outstanding accounts payable and clear with bank;
  - collect and void all unused checks;
  - document and provide any petty cash to sponsor;
  - close bank accounts once all transactions are cleared; and
  - verify all payroll reports including taxes and retirements.

No evidence was provided that any of the closeout procedures were performed as required.

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

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(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-024</b>
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**Noncompliance - Personal Information Policy**

Ohio Rev. Code Section 1347.05 requires that every state and local agency that maintains personal information systems shall:

- Appoint one individual to be directly responsible for the system;
- Adopt and implement rules that provide for the operation of the system;
- Inform each of its responsible employees of all rules adopted in accordance with this section;
- Specify disciplinary measures for unauthorized use of information contained in the system;
- Inform persons supplying personal information if it is legally required, or if they may refuse;
- Develop procedures for purposes of monitoring the accuracy, relevance, timeliness and completeness of the personal information in the system;
- Take reasonable precautions to protect personal information in the system from unauthorized modification, destruction, use, or disclosure;
- Collect and maintain and use only personal information that is necessary and relevant to the functions that the agency is required or authorized to perform, and eliminate personal information from the system when it is no longer necessary and relevant to those functions.

We noted the School did not provide policies addressing the storage, use, and distribution of personal information. The School does not specifically address who inside the School may have access to personal information and what constitutes valid reason. The absence of these elements could result in the misuse of personal information.

<b>FINDING NUMBER</b>	<b>2010-025</b>
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**Noncompliance - Specifications of contract between sponsor and governing authority - specifications of comprehensive plan**

Ohio Rev. Code section 3314.03 (A)(1)(c) states that the school shall be established as the following:

(c) A contract entered into under section 3314.22 of the Revised Code between a sponsor and the governing authority of a community school may provide for the community school governing authority to make payments to the sponsor, which is hereby authorized to receive such payments as set forth in the contract between the governing authority and the sponsor. The total amount of such payments for oversight and monitoring of the school shall not exceed three per cent of the total amount of payments for operating expenses that the school receives from the state.

The School did not provide a copy of the contract between the School and the sponsor to the auditors for the audit period.



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**SCHEDULE OF FINDINGS  
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(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-026</b>
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**Noncompliance – Education Management Information System (EMIS)**

Ohio Revised Code Section 3314.17 requires community schools to follow the requirements of Ohio Revised Code Section 3301.0714. This section provides for the Ohio Department of Education (ODE) to establish guidelines for a statewide Education Management Information System (EMIS). In response to the legislative mandate, ODE adopted the rule for school districts requiring the development and implementation of a statewide EMIS. Each school district must periodically collect and report the required information to the ODE, as required by the EMIS manual. This required information consists of the following:

Section A prescribes:

- Standards identifying and defining the type of data in the system;
- Procedures for annually collecting and reporting the data;
- Procedures for annually compiling the data;
- Procedures for annually reporting the data to the general public;

Section B prescribes:

- Guidelines outlining what information should be maintained in the system;

Section C prescribes:

- That education management information shall include cost accounting data for each district as a whole and by building;

Section D prescribes:

- Guidelines which require information about individual students, staff members, or both; and,

Section E further prescribes

- Guidelines which describe any and all special reports which may be required.

The School failed to meet the reporting and record keeping requirements as outlined above. The School did not properly file EMIS reports. There was no evidence of EMIS reports provided to the auditors for the audit period.

<b>FINDING NUMBER</b>	<b>2010-027</b>
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**Non-Compliance-Anti-Bullying Policy**

The Ohio Revised Code Section 3313.666 (A)(B)(C) and 3314.03 (A)(11)(D) provides the governing authority of each school must adopt a anti-bullying policy in consultation with parents, school employees, school volunteers, students, and community members.

The policy must prohibit the harassment, intimidation, or bullying of any student on school property or at a school-sponsored activity. It also must define the term "harassment, intimidation, or bullying" in a manner that includes the definition prescribed in HB 276. The act defines that term as "an intentional written,

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(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-027 (Continued)</b>
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verbal, or physical act that a student has exhibited toward another student more than once and the behavior both (1) causes mental or physical harm to the other student, and (2) is sufficiently severe, persistent, or pervasive that it creates an intimidating, threatening, or abusive educational environment for the other student.”

The School did not submit proof of establishing this policy. Failure to adhere to this compliance requirement results in the School being in non-compliance.

<b>FINDING NUMBER</b>	<b>2010-028</b>
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**Internal Control System**

Management and Board are charged with the responsibility of developing and maintaining a system of internal controls over purchasing, revenue, reporting, and payroll transactions. The system of internal controls of the School would detect errors and irregularities in a timely manner. The system of internal controls would ensure all financial transactions were properly authorized, reported and supported with documentation. The review of the Schools internal controls systems and transactions documentation noted material internal control weakness.

During our review of the records we noted the following:

No authorization by Board approval for employee salary and/or wage rates fiscal years 2004, 2005; 2006, 2007, 2008, 2009, and 2010;

- There was no evidence the Board approved expenditures prior to being made, nor did they review expenditures after they were made to ensure they were accurately recorded, necessary and for a proper public purpose;
- No one independent of the purchasing process reviewed the activity to ensure the accuracy, appropriateness, or allowability of the expenditure;
- No evidence of the Board members or managements monitoring controls over the monthly and annual financial statements; the revenue and expenditures internal control process; the compliance with the grant agreements for the federal and state grants; ensuring that an adequate segregation of duties exists; and review of the monthly bank reconciliations;
- The School did not have a policy in place for the procurement of goods or services;
- No evidence of a capital asset listing was provided;
- A capital asset accounting system, which maintains a complete capital asset listing by location, with tag or other identification numbers and other pertinent information has not been developed;
- The School has not developed and implemented procedures to record assets as additions when purchased and deletions when disposed of through the year;
- The School does not have a listing of capital assets purchased with federal funds to ensure that items purchased with federal funds are used for that specific purpose; and
- The School did not maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets and liabilities to prepare GAAP financial statements;

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
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(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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<b>FINDING NUMBER</b>	<b>2010-028 (Continued)</b>
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- There were no Purchase Orders used and/or any other document to record the approval process of the expenditures;
- Missing MD&A, financial statements, and note disclosures to the financial statements which were not prepared as required by the Government Accounting Standards Board (GASB) for FY 2004 through FY 2010;
- The School did not maintain supporting documentation for student full-time equivalencies reported to the Ohio Department of Education;
- The School failed to provide a general ledger, trial balances, or other supporting documentation to support the amounts presented in the financial statements; and
- The School did not provide a written representation letter.

The above weaknesses and lack of record keeping greatly increased the possibility for fraud and abuse related to non payroll transactions. These weaknesses significantly reduced management's ability to effectively monitor the finances and make appropriate operating decisions. Further, it could not be determined if the School over compensated the individuals and vendors during fiscal years 2004 through 2010.

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**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2010; JUNE 30, 2009; JUNE 30, 2008; JUNE 30, 2007; JUNE 30,  
2006; JUNE 30, 2005; JUNE 30, 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
2003-001	Finding for Recovery	No	Documentation not presented
2003-002	Finding for Recovery	No	Documentation not presented
2003-003	Finding for Recovery	No	Documentation not presented
2003-004	Finding for Recovery	No	Documentation not presented
2003-005	Finding for Recovery	No	Documentation not presented
2003-006	Finding for Recovery	No	Documentation not presented
2003-007	Finding for Recovery	No	Documentation not presented
2003-008	Community School Contract	Yes	
2003-009	Books, Records of Accounts and Minutes	No	Reissued as 2010-028
2003-010	Financial Report Filing	No	Reissued as 2010-018
2003-011	Education Information Management System	No	Reissued as 2010-026
2003-012	Teacher Licenses	No	Reissued as 2010-019
2003-013	Notice of Public Meetings	No	Reissued as 2010-016
2003-014	Fiscal Officer Designation Bonding Requirement	No	Reissued as 2010-020
2003-015	Annual Report of Activities	No	Reissued as 2010-022

**GREATER ACHIEVEMENT COMMUNITY SCHOOL  
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2006; JUNE 30, 2005; JUNE 30, 2004**

2003-016	Five Year Revenue and Expenditure Projection	No	Reissued as 2010-017
2003-017	Cash Flow Statements as Required by Generally Accepted Accounting Principles	No	Not Reissued based on School Closing
2003-018	Note Disclosures Required by Generally Accepted Accounting Principles	No	Not Reissued based on School Closing
2003-019	Purchasing Cycle Controls	No	Reissued as 2010-028
2003-020	Developing and Implementing an Effective Monitoring Control System	No	Reissued as 2010-028
2003-021	Fixed Assets	No	Reissued as 2010-028
2003-022	Employee Payroll Master File	No	Reissued as 2010-028
2003-023	Development and Implementation of Payroll Processing Procedures	No	Reissued as 2010-028
2003-024	Payment of State Teachers Retirement System Withholdings	No	Not Reissued based on School Closing
2003-025	Condition of Accounting Records	No	Reissued as 2010-028
2003-026	Establishing an Audit Committee	No	Not Reissued based on School Closing
2003-027	Comprehensive Business Resumption Plan	No	Not Reissued based on School Closing



# Dave Yost • Auditor of State

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

Greater Achievement Community School  
Attn: Dr. Elijah M. Scott, Superintendent/Developer  
5455 North Marginal Road Suite 521  
Cleveland, Ohio 44114-3951

ASHE Culture Center Inc., Sponsor  
Attn: Dr. Kwa David Whitaker, Ph.D., Esq., Co-Chair  
Attn: Dr. Jorethia L. Chuck, Ph.D., Co-Chair  
2125 Superior Avenue  
Cleveland, Ohio 44114

Ohio Department of Education, Sponsor  
Attn: Joni Hoffman, Director  
25 S. Front Street, Mail Stop 307  
Columbus, Ohio 43215

To Greater Achievement Community School and the Sponsors:

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 Greater Achievement Community School (the GACS) 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.

We noted the Board has not adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666(B).

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 GACS's sponsor and is not intended to be and should not be used by anyone other than these specified parties.

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

**Dave Yost**  
Auditor of State

January 31, 2012





# Dave Yost • Auditor of State

**GREATER ACHIEVEMENT COMMUNITY SCHOOL**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 22, 2012**