



**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2008**



**Mary Taylor, CPA**  
Auditor of State



**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY  
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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Phoenix Village Academy S1  
Cuyahoga County  
3120 Euclid Avenue  
Cleveland, Ohio 44115

To the Board of Trustees:

We have audited the accompanying basic financial statements of the Phoenix Academy S1, Cuyahoga County, Ohio (the Academy), as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The Academy did not provide records of capital assets owned, failed to maintain original supporting documentation which itemized and identified capital assets purchased and failed to record deletions and depreciation.

The Academy did not provide employee employment contracts to support salaries paid to employees.

The Academy failed to provide original supporting documentation for many of the non payroll expenditures tested.

The Academy failed to provide documentation for short term loans payable, accounts payable and intergovernmental payables reported on the financial statements. Therefore, we were unable to obtain evidence supporting the existence and rights and obligations related to these payables.

Many of the amounts reported on the Statement of Cash Flows were misstated, including:

- Cash Payments to Suppliers for Goods and Services;
- Cash Payments for personal services;
- Cash at the beginning of the year; and
- Increase in notes payable.

The notes to the financial statements did not include the following required disclosures:

- Subsequent events which occurred after the report date; and
- Disclosure of operating leases.

In addition, the pension disclosure was not accurately reported. The Academy's required contributions for pension obligations was not accurately reported. Also, the purchased service note did not agree to the Statement of Revenues, Expenses and Changes in Net Assets.

In our opinion, except for any possible effects of adjustments we may have required related to capital assets, short term loans payable, accounts payable, and intergovernmental payable as we might have determined to be necessary if evidence were available, as noted in paragraphs three through six above, and except for the omission and inaccuracies of certain note disclosures and cash flow information described in paragraphs seven through nine, the financial statements referred to above present fairly, in all material respects, the financial position of the Phoenix Village Academy S1, as of June 30, 2008, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

During the year ended June 30, 2008, the Academy suffered a net loss in the amount of \$59,656

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2009, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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



**Mary Taylor, CPA**  
Auditor of State

December 9, 2009

Phoenix Village Academy S-1  
A Community School  
Cuyahoga County

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008

The discussion and analysis of the Phoenix Village Academy's S-1 (the Academy's) financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

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

The School received permission to open the school in 2006, but the school did not open until November 2006. The school only received startup funding in September of 2005 and this was only funding Phoenix Village Academy S-1 received in fiscal year 2006.

### **Financial Highlights**

- In total, net assets were \$16,543 as of June 30, 2008.
- The decrease in total net assets was \$74,524.

### **Using this Financial Report**

This financial report contains the basic financial statements of the Academy, as well as the Management's Discussion and Analysis and notes to the basic financial statements. The basic financial statements include a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. As the Academy reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentation information is the same.

Phoenix Village Academy S-1  
A Community School  
Cuyahoga County

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008

Statement of Net Assets

The statement of net assets answers the questions, "How did we do financially during the fiscal year?" This statement includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic resources focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when cash is received or paid.

This statement reports the Academy's net assets and changes in them. The change in net assets provides the reader a tool in determining whether the Academy's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as state revenue, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the Academy.

Table 1 provides a summary of the Academy's net assets for fiscal years 2007 and 2008.

	<u>2008</u>	<u>2007</u>
Current Assets	\$ 3,873	\$ 29,654
Capital Assets, Net	<u>84,253</u>	<u>65,710</u>
Total Assets	<u>88,126</u>	<u>95,364</u>
Current Liabilities	68,583	1,297
Non-Current Liabilities	<u>3,000</u>	<u>3,000</u>
Total Liabilities	<u>71,583</u>	<u>4,297</u>
Net Assets:		
Invested in Capital Assets, net	84,253	65,710
Unrestricted	<u>(67,710)</u>	<u>25,357</u>
Total Net Assets	<u>16,543</u>	<u>91,067</u>



Phoenix Village Academy S-1  
A Community School  
Cuyahoga County

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008

Statement of Net Assets (Continued)

The positive portion of the Academy's total assets reflects its investment in capital assets net of related debt. The Academy uses capital assets to provide services; consequently, these assets are not available for future spending.

Net Assets of the Academy are \$ 16,543, but unrestricted net assets reflect a negative balance of \$ 67,710. The increase in net assets was the result of capital assets being purchased with the federal grant. Table 2 shows the changes in net assets for the fiscal years ended June 30, 2007 and 2008, as well as revenues and expenses.

Table 2  
Statement of Revenues, Expenses and Changes in Net Assets

	<u>2008</u>	<u>2007</u>
Operating Revenues:		
Foundation payments	\$ 143,957	\$ 197,000
Other Operating Revenues	4,707	3,000
Non-Operating Revenues:		
Federal and State subsidies	80,062	225,638
Other	<u>0</u>	<u>68,031</u>
Total Revenues	<u>228,726</u>	<u>493,669</u>
Operating Expenses:		
Salaries & Wages	80,382	38,402
Fringe Benefits	9,024	35,634
Purchased Services	138,405	253,935
Materials & Supplies	871	48,424
Depreciation & Amortization	19,760	8,960
Other Objects	1,636	729
Capital Outlay	38,304	6,739
Interest Expense		16
<b>Total Expenses</b>	<b>288,382</b>	<b>392,839</b>
Change in Net Assets	\$ (59,656)	\$ 100,861

Phoenix Village Academy S-1  
A Community School  
Cuyahoga County

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008

Statement of Revenues, Expenses and Changes in Net Assets (Continued)

The Academy received \$ 80,062 in federal grants to improve the schools through staff training, purchase of capital assets, the purchase of support services and professional development services.

**Capital Assets**

The Academy maintains a capitalization threshold of \$1,000.00. At June 30, 2008 the Academy had invested \$112,973.49 in capital assets, and had reported \$28,720 in accumulated depreciation.

**Debt Activity**

During fiscal year 2007, the Academy's payroll and other related payroll and retirement amounts were paid for by Phoenix Village Academy P-2 for the months beginning July 1, 2006 until January 30, 2007. The prior treasurer ran payroll for Phoenix Village Academy P-1 and Phoenix Village Academy S-1 through Phoenix Village Academy P-2. Based on the payroll amounts for each employee of each school, short term loans and short term receivable were created. The new treasurer, Edward Dudley began rendering services in January of 2007 and stopped this practice and prepared repayments amounts for each school. These amounts are the amounts reflected on the statement of net assets as of June 30, 2008.

**Restrictions and Other Limitations**

The future financial stability of the Academy is not without challenges.

The first challenge is the state economy. The Academy does not receive any funds from taxes. The primary source of funding is the state foundation program. An economic slowdown in the state could result in budgetary cuts to education, which would have a negative impact on the Academy.

The second challenge facing the Academy is the future of state funding. On October 6, 2004, a suit was filed in the US District Court challenging the funding of charter schools under Equal Protection, Due Process and claims violation of a right to vote on the bodies administering public schools. The Academy is unable to determine what effect, if any, this suit might have on future funding from the State.

Phoenix Village Academy S-1  
A Community School  
Cuyahoga County

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008

**Contacting the Academy**

This financial report is designed to provide a general overview of the finances of the Phoenix Village Academy S-1 and to show the Academy's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to Phoenix Village Academy S-1 Attn: Treasurer, 3120 Euclid Ave Cleveland, Ohio 44113.

**PHOENIX VILLAGE ACADEMY S-1**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

**ASSETS**

**Current assets**

Cash and Cash Equivalents	\$ 3,873
<b>Total current assets</b>	<u>3,873</u>

**Non-current assets**

Capital assets, net of accumulated depreciation	<u>84,253</u>
<b>Total assets</b>	<u><u>\$ 88,126</u></u>

**LIABILITIES & NET ASSETS**

**Current liabilities**

Accounts Payable	21,548
Intergovernmental Payables	17,337
Short Term Loan P2	17,698
Short Term Loan P1	<u>12,000</u>
<b>Total current liabilities</b>	<u>68,583</u>

**Noncurrent liabilities**

Note payable Ashe thru P2	3,000
<b>Total liabilities</b>	<u><u>71,583</u></u>

**Net assets**

Invested in capital assets	84,253
Unrestricted	<u>(67,710)</u>
<b>Total net assets</b>	<u><u>16,543</u></u>

See the accompanying notes to the financial statements

**PHOENIX VILLIAGE ACADEMY S-1**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

<b>Operating revenues</b>	
State Foundation	143,957
Poverty Based Assistance	4,707
Total operating revenues	148,664
 <b>Operating expenses</b>	
Salaries	80,382
Fringe Benefits	9,024
Purchased services	176,709
Miscellaneous	1,636
Materials & Supplies	871
Depreciation	19,760
Total operating expenses	288,382
<b>Operating (loss)</b>	(139,718)
 <b>Non-operating revenues</b>	
Federal Aid	80,062
Miscellaneous	-
Total non-operating revenue	80,062
<b>Change in net assets</b>	(59,656)
Net assets at beginning of year	76,199
<b>Net assets at end of year</b>	\$ 16,543

See the accompanying notes to the financial statements

**PHOENIX VILLAGE ACADEMY S-1  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Increase (decrease) in cash**

**Cash flows from operating activities**

Cash Received from the State of Ohio	\$	148,664
Cash payments to suppliers for good and services		(191,383)
Cash payments for personal service		(89,406)
Cash payments to other governments		-
Net cash (used for) operating activities		(132,124)

**Cash flows from noncapital financing activities**

State and Federal grants		80,062
		-
Net cash provided by noncapital financing activities		80,062

**Cash flows from capital and related financing activities**

Capital expenses		38,304
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Net increase in cash (13,758)

Cash at beginning of year 17,631

**Cash at end of year** \$ 3,873

**Reconciliation of operating (loss) to net cash**

**(used for) operating activities:**

Operating Income (loss) \$ (139,718)

**Adjustments to reconcile operating (loss)**

**to net cash (used for) operating activities:**

Depreciation		19,760
Change in assets and liabilities:		
Increase in liabilities:		
Accounts payable		20,471
Notes payable		(32,637)
Total adjustments		7,594
Net cash (used for) operating activities		\$ (132,124)

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

Phoenix Village Academy S-1  
Notes to the Financial Statement  
June 30, 2008

1. DESCRIPTION OF THE SCHOOL

Phoenix Village Academy S-1 (the Academy) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of students in kindergarten through the sixth grade. The Academy qualified as a tax exempt organization under Section 501 (c) (3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the School's tax-exempt status.

The Academy, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admissions policies, employment practices, and all other operations. The Academy may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the school. The Academy was approved for operation under a contract with Ashe Culture Center, Inc. (the Sponsor) for a period of five years commencing on July 1, 2006. The Sponsor is responsible for evaluation 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 Academy operates under the direction of a five-member Board of Governance. The Board is responsible for carrying out the provisions of the contract which include, but are not limited to, state mandated provisions regarding student populations, curriculum, academic goals, performance standards, admissions standards, and qualifications of teachers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial Statements of the Academy have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental account and financial reporting principals. The Academy also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The more significant of the Academy's accounting policies are described below.

Phoenix Village Academy S-1  
Notes to the Financial Statement  
June 30, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation

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

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by its measurement focus. Enterprise accounting uses a flow of economic resources management focus. With this measurement focus, all assets and all liabilities are included on the balance sheet. The operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing measurements made.

The accrual basis of accounting is use for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Contributions and grants are recognized when the donor makes a promise to the Academy that is unconditional.

C. Budgetary Process

Unlike other public schools located in the state of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the Academy's contract with its Sponsor. The contract between the Academy and its sponsor does not prescribe a budgetary process. However, Ohio Rev. Code Section 3314.03(A)(11)(d) requires the Academy to comply with section 5705.391(A) of the Ohio Rev. Code, which requires the Academy to prepare a five year projections of revenues and expenses.



Phoenix Village Academy S-1  
Notes to the Financial Statement  
June 30, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents

All monies received by the Academy are maintained in a demand deposit account. For internal accounting purposes, the School desegregates its cash.

E. Estimates

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

F. Capital Assets

Capital assets are capitalized at cost. The costs of additions are capitalized and expenditures for repairs and maintenance are expensed when incurred. When property is sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in additions to or deductions from net assets. At the end of the fiscal year 2008 the school had assets of \$112,974 with accumulated depreciation of \$28,720.

Depreciation and amortization of leasehold improvements, computers, and equipment are computed using the straight-line method over their estimated useful lives. Improvements to capital assets are depreciated over the remaining useful lives of the related capital assets.

Depreciation of fixed assets is provided utilizing the straight-line method over the estimated useful lives of the assets are follows:

Equipment and furniture 5 years

It is the Academy's policy to expense items which cost less than \$1,000.

G. Intergovernmental Revenues

The Academy currently participates in the State Foundation Program. Revenues received from this program are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

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

Phoenix Village Academy S-1  
Notes to the Financial Statement  
June 30, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Intergovernmental Revenues (Continued)

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

The Academy also participates in various federal and state programs through the Ohio Department of Education.

H. Compensated Absences

The Academy does not record a liability for compensated absences because its policy is not to payout accumulated leave balances upon termination of employment.

I. Accrued Liabilities

The Academy has recognized certain liabilities on its balance sheet relating to expenses, which are due but unpaid as of June 30, 2008, including:

As of June 30, 2008, there was \$21,548.00 in accounts payables.

I. Exchange and Non Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided to the School on a reimbursement basis.

Phoenix Village Academy S-1  
Notes to the Financial Statement  
June 30, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Net Assets (Continued)

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through external restriction imposed by creditors, grantors, or law and regulations of other governments. The Academy applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

K. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the Academy. For the Academy, these revenues are primarily the State Foundation program. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the Academy. Revenue and expenses not meeting this definition are reported as non-operating.

3. RISK MANAGEMENT

A. Property and Liability

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the fiscal year 2008, the School contracted with Pinkney Perry Insurance Company for property and general liability insurance. The Academy also had a treasurer bond from Hanover Insurance.

B. Workers' Compensation

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

Phoenix Village Academy S-1  
Notes to the Financial Statement  
June 30, 2008

4. DEFINED BENEFIT PENSIONS PLANS

A. State Teachers Retirement System of Ohio (STRS Ohio)

The Academy contributes in the School Teachers Retirement System (STRS), a cost-sharing multiple-employer retirement system administered by the State Teachers Retirement Board. STRS Ohio provides retirement and disability benefits to members and death survivor benefits to beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS Ohio issues a stand-alone financial report that may obtain a copy by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (888) 227-7877 or by visiting the STRS Ohio website at [www.strsohio.org](http://www.strsohio.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 members lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows member to place all their member contributions and employer contributions equal to 10.5% 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 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. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. 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 dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Phoenix Village Academy S-1  
Notes to the Financial Statement  
June 30, 2008

4. DEFINED BENEFIT PENSIONS PLANS (Continued)

A. State Teachers Retirement System of Ohio (STRS Ohio) (Continued)

For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The Academy 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% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Academy's required contributions for pension obligations to STRS Ohio fiscal years ended June 30, 2008 and 2007 were \$7,084 and \$18,210 respectively. One hundred percent has been contributed for fiscal years 2008 and 2007.

B. School Employees Retirement System (SERS Ohio)

The Academy contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan administered by the School Employees Retirement Board. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215 or by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org).

Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the Academy's contribution is used to fund pension obligations with the remainder being used to fund health care benefits, 10.68 percent was the portion used to fund pension obligations. The obligations requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The Academy's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2008 and 2007 were \$1,420 and \$21,351 respectively.

Phoenix Village Academy S-1  
Notes to the Financial Statement  
June 30, 2008

4. DEFINED BENEFIT PENSIONS PLANS (Continued)

C. Postemployment Benefits

State Teachers Retirement System of Ohio (STRS Ohio) provides comprehensive healthcare benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code, the State Retirement Board (the Board) has discretionary authority over how much, if any, of the health care cost will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. The Ohio Revised Code grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of coverage paid STRS funds shall be included in the employer's contribution rate, currently 14 percent of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Reserve Fund from which health care benefits are paid. For the fiscal year ended June 3, 2007, the Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund.

D. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose social security or the School Employees Retirement System/State Teachers Retirement System.

5. RELATED PARTY TRANSACTION

A member of the Board of Governors, Dr. Jorethia Chuck, CEO of Exceptional performs the psychological evaluations for the students of the Phoenix Village Academy Secondary 1 School.

Dionne Whitaker CEO of Kennedy is the daughter of Dr. Whitaker the sponsor, prepares the lesson plan reviews as well as in-service training for the teachers of the Phoenix Village Academy Secondary 1 School.

DeShawn King Administrator of the Academy is the daughter of Dr. Whitaker the sponsor; she performs the administrative support for the Phoenix Village Academy Secondary 1 School.

Phoenix Village Academy S-1  
Notes to the Financial Statement  
June 30, 2008

5. RELATED PARTY TRANSACTION (Continued)

Additionally, the sponsor loaned funds to the academy during start up at 0% interest.

6. PURCHASED SERVICES

Purchased Services include the following:

Purchased Services	
Instruction	3,000
Sponsorship fees	2,853
Professional & Technical	2,736
Governance/Admin	16,000
Support Services	32,260
Trash removal	104
Contract Repair & Maintenance	1,170
Lease-School Site	16,506
Telephone	470
Advertising	1,651
Printing & Publications	1,188
Food Service Contract Services	12,278
Other Contract Services	20,765
Prof Development	3,450
Misc.	10,409
Purchased Services - Other	<u>13,565</u>
Total Purchased Services	138,405

Phoenix Village Academy S-1  
Notes to the Financial Statement  
June 30, 2008

7. CAPITAL ASSETS

A summary of the Academy's capital assets as of June 30, 2008 follows:

	<b>Balance 6/30/2007</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2008</b>
Capital Assets Being Depreciated				
Computers & Equipment	<u>\$ 74,670</u>	<u>\$ 38,304</u>	-	<u>\$112,974</u>
Total Capital Assets Being Depreciated	\$ 74,670	\$ 38,304	-	\$112,974
Less Accumulated Depreciation:				
Computers & Equipment	<u>\$ 8,960</u>	<u>\$ 19,760</u>	<u>\$</u>	<u>\$ 28,720</u>
Total Accumulated Depreciation			-	
Total Capital Assets Being Depreciation				
Net	\$ 65,710	\$ 18,544	-	\$ 84,254





# Mary Taylor, CPA

Auditor of State

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

Phoenix Village Academy S1  
Cuyahoga County  
3120 Euclid Avenue  
Cleveland, Ohio 44115

To the Board of Trustees:

We have audited the basic financial statements of Phoenix Village Academy S1, Cuyahoga County, Ohio (the Academy) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 9, 2009, wherein we noted the Academy failed to provide records of capital assets owned, failed to provide employee employment contracts of salary amounts, failed to provide original supporting documentation of many non payroll expenditures, failed to provide documentation for short term loans payable, accounts payable and intergovernmental payable, misstated amounts on the cash flow statement, omitted and inaccurately reported applicable note disclosures and incurred a net loss of \$59,656. Except for our inability to fully audit the aforementioned records related to capital assets, salaries, non payroll expenditures, short-term loans and accounts and intergovernmental payables. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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

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

We consider findings 2008-008 through 2008-015 described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. Of the significant deficiencies described above, we believe findings 2008-008 through 2008-015 are also material weaknesses.

We also noted certain internal control matters that we reported to the Academy's management in a separate letter dated December 9, 2009

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Academy's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2008-001 through 2008-014.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Academy's management in a separate letter dated December 9, 2009.

We intend this report solely for the information and use of management, Board of Trustees, and the Community School's sponsor. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

December 9, 2009

**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-001</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 fiscal year 2008, the Academy issued the following payments for which the Academy did not provide supporting documentation.

1. On August 1, 2007, check number 1007 payable to Eric King in the amount of \$200 was issued and authorized by Edward Dudley, Treasurer, and Jorethia Chuck, authorized signatory which was unsupported and we could not determine the purpose of the expenditure.
2. On August 2, 2007, check number 1006 payable to University Plaza Hotel in the amount of \$112.08 was issued and authorized by Edward Dudley, Treasurer, and Jorethia Chuck, authorized signatory which was unsupported and we could not determine the purpose of the expenditure.
2. On February 21, 2008, check number 1024 payable to Soni McConkey in the amount of \$166 was issued and authorized by Edward Dudley, Treasurer, and Jorethia Chuck, authorized signatory which was unsupported and we could not determine the purpose of the expenditure.

The Academy's failure to maintain adequate support for expenditures could result in a loss of accountability over the Academy's finances, making it difficult to identify errors which could go undetected.

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 strictly liable for the amount of this expenditure. *Steward v. National Surety Corp.* (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 should 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.

**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-001</b>
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**Finding for Recovery (Continued)**

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 Edward Dudley, Treasurer, Jorethia Chuck, authorized signatory and Eric King, jointly and severally, in the amount of \$200 and in favor of Phoenix Village Academy S1 and against Edward Dudley, Treasurer, Jorethia Chuck, authorized signatory and Soni McConkey, jointly and severally, in the amount of \$166 and in favor of Phoenix Village Academy S1 and against Edward Dudley, Treasurer, and Jorethia Chuck, authorized signatory, jointly and severally, in the amount of \$112.08 and in favor of Phoenix Village Academy S1.

**Client's Response:**

While the governing authority was unable to locate the specific invoice to match these services they have concluded that they were for a proper public purpose and the governing authority has formally stated as such through inclusion of this item on its signed certification of proper public purpose that these expenditures were for a proper public purpose. Accordingly, the governing authority requests that these proposed findings be removed from the final audit report.

**Auditor's Conclusion:**

Per section Section 5.32 of *Government Auditing Standards* (2007 amendment) we have included the Client's response as part of our audit report. Generally Accepted Auditing Standards section 326.01 states "The auditor must obtain sufficient appropriate audit evidence by performing audit procedures to afford a reasonable basis for an opinion regarding the financial statements under audit." We do not believe that sufficient competent evidential matter was obtained to support that these payments were for a proper public purpose.

<b>FINDING NUMBER</b>	<b>2008-002</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 fiscal year 2008, the Academy issued the following payments to the ASHE Culture Center for which the Academy did not provide supporting documentation.

PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)

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

FINDING NUMBER	2008-002
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**Finding for Recovery (Continued)**

1. On July 13, 2007, check number 16, paid from the payroll account in the amount of \$1,500 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.
2. On January 4, 2008, check number 1073 in the amount of \$35,000 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.
3. On April 13, 2008, check number 1191 in the amount of \$890.91 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.

The Academy's failure to maintain adequate support for expenditures could result in a loss of accountability over the Academy's finances, making it difficult to identify errors which could go undetected.

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 strictly liable for the amount of this expenditure. *Steward v. National Surety Corp.* (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 should 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 ASHE Culture Center, Sponsor, and Edward Dudley, Treasurer, jointly and severally, in the amount of \$37,390.91 and in favor of Phoenix Village Academy S1.

**Client's Response:**

The governing authority included supporting documentation for these items. Additionally, the vendor and governing authority maintains that these services were for a proper public purpose. Accordingly, the governing authority requests that these findings be removed from the audit report.

**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-002</b>
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**Finding for Recovery (Continued)**

**Auditor's Conclusion:**

Per section Section 5.32 of *Government Auditing Standards* (2007 amendment) we have included the Client's response as part of our audit report. Generally Accepted Auditing Standards section 326.01 states "The auditor must obtain sufficient appropriate audit evidence by performing audit procedures to afford a reasonable basis for an opinion regarding the financial statements under audit." We do not believe that sufficient competent evidential matter was obtained to support that these payments were for a proper public purpose.

<b>FINDING NUMBER</b>	<b>2008-003</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 fiscal year 2008, the Academy issued the following payments to the Greater Educational Services Center for which the Academy did not provide supporting documentation.

1. On August 15, 2007, check number 1121 in the amount of \$506.33 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.
2. On September 13, 2007, check number 1131 in the amount of \$693.84 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.
3. On November 15, 2007, check number 1151 in the amount of \$414.99 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.

**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-003</b>
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**Finding for Recovery (Continued)**

4. On January 12, 2008, check number 1167 in the amount of \$243.15 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.
5. On February 8, 2008, check number 1180 in the amount of \$418.59 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.
6. On February 28, 2008, check number 1186 in the amount of \$400.90 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.
7. On May 9, 2008, check number 1201 in the amount of \$473.83 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.
8. On June 10, 2008, check number 1213 in the amount of \$476.17 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.

The Academy's failure to maintain adequate support for expenditures could result in a loss of accountability over the Academy's finances, making it difficult to identify errors which could go undetected.

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 strictly liable for the amount of this expenditure. *Steward v. National Surety Corp.* (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 should 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 Greater Educational Services Center and Edward Dudley, Treasurer, jointly and severally, in the amount of \$3,627.80 and in favor of Phoenix Village Academy S1.

**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-003</b>
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**Finding for Recovery (Continued)**

**Client's Response:**

Greater Educational Services Center is the management company of the Academy which was retained to assist the Academy at a monthly rate of 3% which is consistent with the compensation the Academy makes to the sponsor. Greater Educational Services Center did not always provide monthly invoices but the board permitted payments to be made. The vendor and governing authority maintains that these services were for a proper public purpose. Accordingly, the governing authority requests that these findings be removed from the audit report.

**Auditor's Conclusion:**

Per section Section 5.32 of *Government Auditing Standards* (2007 amendment) we have included the Client's response as part of our audit report. Generally Accepted Auditing Standards section 326.01 states "The auditor must obtain sufficient appropriate audit evidence by performing audit procedures to afford a reasonable basis for an opinion regarding the financial statements under audit." We do not believe that sufficient competent evidential matter was obtained to support that these payments were for a proper public purpose.

<b>FINDING NUMBER</b>	<b>2008-004</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 fiscal year 2008, the Academy issued the following payment to the Exceptional Psychological Services which was unsupported and the Academy did not provide supporting documentation for this payment.

1. On January 3, 2008, check number 1067 in the amount of \$16,000 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.

The Academy's failure to maintain adequate support for expenditures could result in a loss of accountability over the Academy's finances, making it difficult to identify errors which could go undetected.



**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-004</b>
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**Finding for Recovery (Continued)**

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 strictly liable for the amount of this expenditure. *Steward v. National Surety Corp.* (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 should 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 Edward Dudley, Treasurer, in the amount of \$16,000 and in favor of Phoenix Village Academy S1.

**Client’s Response:**

The governing authority has included, for your review, a copy of the consultant agreement concerning these services. The vendor and governing authority maintains that these services were for a proper public purpose. Accordingly, the governing authority requests that this proposed finding be removed from the final audit report.

**Auditor’s Conclusion:**

Per section Section 5.32 of *Government Auditing Standards* (2007 amendment) we have included the Client’s response as part of our audit report. Generally Accepted Auditing Standards section 326.01 states “The auditor must obtain sufficient appropriate audit evidence by performing audit procedures to afford a reasonable basis for an opinion regarding the financial statements under audit.” We do not believe that sufficient competent evidential matter was obtained to support that this payment was for a proper public purpose.

<b>FINDING NUMBER</b>	<b>2008-005</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.

**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-005</b>
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**Finding for Recovery (Continued)**

During fiscal year 2008, the Academy issued the following payment to Dr. Kwa David Whitaker which was unsupported and the Academy did not provide supporting documentation for this payment.

1. On July 24, 2007, check number 1059 in the amount of \$3,300 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.

The Academy's failure to maintain adequate support for expenditures could result in a loss of accountability over the Academy's finances, making it difficult to identify errors which could go undetected.

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 strictly liable for the amount of this expenditure. *Steward v. National Surety Corp.* (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 should 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 Dr. Kwa David Whitaker and Edward Dudley, Treasurer, jointly and severally, in the amount of \$3,300 and in favor of Phoenix Village Academy S1.

**Client's Response:**

The governing authority has included, for your review, a copy of the consultant invoice concerning these services. The vendor and governing authority maintains that these services were for a proper public purpose. Accordingly, the governing authority requests that this proposed finding be removed from the final audit report.

**Auditor's Conclusion:**

Per section Section 5.32 of *Government Auditing Standards* (2007 amendment) we have included the Client's response as part of our audit report. Generally Accepted Auditing Standards section 326.01 states "The auditor must obtain sufficient appropriate audit evidence by performing audit procedures to afford a reasonable basis for an opinion regarding the financial statements under audit." We do not believe that sufficient competent evidential matter was obtained to support that this payment was for a proper public purpose.

**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-006</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.

During fiscal year 2008, the Academy issued the following payment to Eric King for which the Academy did not provide supporting documentation for this payment.

1. On March 11, 2008, check number 1077 in the amount of \$2,000 was issued and authorized by Edward Dudley, Treasurer, which was unsupported and we could not determine the purpose of the expenditure.

The Academy's failure to maintain adequate support for expenditures could result in a loss of accountability over the Academy's finances, making it difficult to identify errors which could go undetected.

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 strictly liable for the amount of this expenditure. *Steward v. National Surety Corp.* (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 should 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 Edward Dudley, Treasurer, and Eric King, jointly and severally, in the amount of \$2,000 and in favor of Phoenix Village Academy S1.

**Client's Response:**

The governing authority has included, for your review, a copy of the consultant agreement concerning these services. The vendor and governing authority maintains that these services were for a proper public purpose. Accordingly, the governing authority requests that this proposed finding be removed from the final audit report.

PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)

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

FINDING NUMBER	2008-006
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Finding for Recovery (Continued)

Auditor's Conclusion:

Per section Section 5.32 of *Government Auditing Standards* (2007 amendment) we have included the Client's response as part of our audit report. Generally Accepted Auditing Standards section 326.01 states "The auditor must obtain sufficient appropriate audit evidence by performing audit procedures to afford a reasonable basis for an opinion regarding the financial statements under audit." We do not believe that sufficient competent evidential matter was obtained to support that this payment was for a proper public purpose.

FINDING NUMBER	2008-007
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Five Year Forecast

Ohio Revised Code Section 3314.03(A)(15) requires the Academy to prepare a financial plan detailing an estimated school budget for each year of the period of the contract and specifying 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.

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.

There was no evidence provided of the development of a five year revenue and expenditure forecast by the Academy.

Without evidence of the updating of the forecast, the Board does not have the necessary information to develop a financial plan for the school year. It is also possible the Academy will authorize the expenditure of funds in excess of the estimated amount available

We recommend the Academy review the requirements of Ohio Revised Code Section 3314.03 and Ohio Admin. Code Section 3301-92-04 and take the necessary steps to meet these requirements, including obtaining the approval of the governing board and reviewing the appropriateness of the amounts included in the estimated budget.

**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-008</b>
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**Recording and Maintaining Board Minutes**

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

The Board should stay apprised of financial matters throughout the fiscal year. During the audit, we were not provided with a record of minutes which document the Board performed its responsibilities as specifically enumerated in the agreement between the Academy and Sponsor.

Failure to oversee the Academy's operations and stay apprised of financial matters increases the chance of theft and other fraudulent activities.

We recommend the Board take the necessary steps to ensure that all provisions of the Sponsor agreement were adhered to.

<b>FINDING NUMBER</b>	<b>2008-009</b>
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**Capital Assets**

Ohio Admin. Code Section 117-2-02 (D)(4)(c) states that all local public offices should maintain or provide capital asset records including such information as the original cost, acquisition date, voucher number, the asset type (land, building, vehicle, etc.), asset description, location, and tag number. Local governments preparing financial statements using generally accepted accounting principles will want to maintain additional data.

The Academy did not make available accounting records of capital assets. For this reason we were unable to determine if the following records had been developed and maintained:

- A capital asset accounting system, which is comprised of a complete capital asset listing by location, with tag or other identification numbers and other pertinent information;
- Procedures to record assets as additions when purchased and deletions when disposed of during the year;
- A listing of capital assets purchased with federal funds to ensure that items purchased with federal funds are used for that specific purpose; and
- Invoices and supporting documentation

Without maintaining accurate and complete records of capital assets purchased it is possible the assets of the Academy could be misplaced or stolen and not be reported.

**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-009</b>
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**Capital Assets (Continued)**

To maintain adequate safeguards over capital assets and to reduce the risk that the Academy's assets may be misstated, we recommend management develop and implement procedures to be performed, throughout the year for the recording and updating of capital assets, including an individual listing of items purchased with federal funds. These procedures should include tagging all capital assets meeting the established capitalization threshold. Further, addition and disposal forms should be completed and approved by management when assets are acquired and retired.

This information should then be entered into the capital asset accounting system and include such information as tag number, location of the asset, description of the item, cost, acquisition date, depreciation, and any other pertinent information. Periodic physical inventories should be performed, and the capital assets listed on the accounting system should be compared to the items on hand and any discrepancies should be investigated.

<b>FINDING NUMBER</b>	<b>2008-010</b>
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**Developing and Implementing an Effective Monitoring Control System**

Ohio Admin. Code Section 117-2-01 (A) states that all public officials are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance regarding the achievement of objectives for their respective public offices in certain categories. Subsection (C) (5) provides that internal control consists of the following component, among others: monitoring, which is a process that assesses the quality of internal control performance over time.

Monitoring controls are comprised of regular management and supervisory activities established to oversee whether management's objectives are being achieved. Effective monitoring controls assist management in assessing the quality of internal control performance over time. This process involves assessing the design and operation of controls on a timely basis and taking necessary corrective actions. Monitoring controls should assist management in identifying unexpected results and/or possible misstatements.

Some effective monitoring controls include:

- Regular review of monthly financial statements;
- Review of revenues and expenses with independently accumulated information (budgets, past performances, peer group representatives, etc.);
- Review of large or unusual fluctuations;
- Identification of unusual fluctuations;
- Comparison of financial statement position with financial projections and other internally prepared projections of financial position and operating results;
- Comparison of predefined key performance indicators based on the financial statements;
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**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-010</b>
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**Developing and Implementing an Effective Monitoring Control System (Continued)**

- Review of items which have been outstanding for extended periods of time (outstanding check listing for payroll and non payroll transactions);
- Monitoring compliance with grant agreements;
- Ensuring that an adequate segregation of duties exists; and
- Review of monthly bank reconciliations by someone independent of their preparation.

The lack of effective monitoring controls could lead to the misallocation or misstatement of Academy funds, expenditure of funds contrary to the directives of the Board of Trustees, and non-compliance with federal or state laws or regulations. This could result in a loss of funding from federal and state sources, and errors or irregularities occurring in financial transactions which affect the bank reconciliations could go undetected.

We recommend that management prepare monthly financial statements and submit them to the Board at each regularly scheduled meeting. The Board should then review these financial statements and when satisfied as to their accuracy approve them through the minute records. In addition, management should ensure that any reports required by the grantor agencies, per the terms of grant agreements, are completed accurately and filed with the respective grantor agencies in a timely manner. Management should also ensure that proper segregation of duties exists, including an independent review of the monthly bank reconciliations.

<b>FINDING NUMBER</b>	<b>2008-011</b>
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**Development and Implementation of Payroll Processing Procedures**

Ohio Admin. Code Section 117-2-02(D)(4)(a) states that all local public offices should maintain or provide payroll records including: (i) W-2's, W4's and other withholding records and authorizations; (ii) payroll journal that records, assembles, and classifies by pay period the name of employee, social security number, hours worked, wage rates, pay date, withholdings by type, net pay, and other compensation paid to an employee (such as termination of payment), and the fund and account charged for the payments; (iii) Check register that includes, in numerical sequence, the check number, payee, net amount, and the date; (iv) Information regarding nonmonetary benefits such as car usage and life insurance; and (v) Information, by employee, regarding leave balances and usage.

As noted in Finding Number 2008-008 board minutes did not exist during the fiscal year. Due to the lack of Board minutes we could not confirm if the Board had approved the annual or hourly payroll amounts of employees. If the Board had not approved salaries and hourly wages, it may be possible that individuals were paid amounts which were not intended by the Board.

**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-011</b>
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**Development and Implementation of Payroll Processing Procedures (Continued)**

Procedures for payroll processing should include, but not be limited to:

- Approval by the Board of all employees and pay rates;
- Comparison of all employees' gross wages paid with the approved pay rates as documented in employee contracts, independent of the Academy's processing;
- Preparation of complete payroll journals of each pay period during the fiscal year;
- Approved time sheets and/or sign in sheets to support the amounts recorded in the payroll;
- Approval and tracking of sick time usage and balances for each employee; and
- Verification that the required BCI background checks are on file for all employees of the Academy.

The Board should formally approve employment contracts or pay scales for all employees. Without this approval, it is possible that employees could be paid amounts which were not in accordance with the direction of the Board. Also, we recommend the Board monitor the amounts paid to employees.

We recommend the Board approve employment contracts or pay scales for all employees and develop procedures to monitor the amounts paid to employees.

<b>FINDING NUMBER</b>	<b>2008-012</b>
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**Condition of Accounting Records**

Ohio Admin. Code Section 117-2-02(A) states that all local public offices shall 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, if generally accepted accounting principles apply), document compliance with finance related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.

Management is responsible for developing and maintaining complete and accurate financial records. Instead of complete and accurate financial records, we noted that the records included the following deficiencies:

- Capital Asset records were not provided;
- Support for liabilities on the financial statements were not provided;
- No records existed of Board approval for employee wage rates and employee contracts;
- Seven of 24 pay periods did not have a payroll ledger;
- There was no evidence of the Board approving any financial activity of the Academy;
- Twenty two of twenty five (88%) non payroll expenditures selected for testing lacked original supporting documentation (i.e. invoice); and
- Beginning Net Assets should agree to prior year ending net assets.



**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-012</b>
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**Condition of Accounting Records (Continued)**

Management failed to provide financial and support documentation; consequently, we were unable to analyze, review, inspect for completeness, verify the accuracy of, or determine the existence of the Academy's financial records previously mentioned.

Failure to implement and maintain a system of controls over the Academy's financial records increases the chances of theft and other fraudulent activities.

The Academy's management has available numerous sources of information describing the process of internal controls, recordkeeping requirements and reporting procedures. It is the responsibility of management to ensure that all responsible parties have access to this literature and training sessions.

<b>FINDING NUMBER</b>	<b>2008-013</b>
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**Salary Approval**

The contract between the Academy and the Sponsor provides employment of the teachers and non-teaching personnel, by the Academy, shall be as provided in Ohio Rev. Code Section 3314.10. Ohio Rev. Code Section 3314.10 (A)(1) states that the governing authority of any community school established under this chapter may employ teachers and non-teaching employees necessary to carry out its mission and fulfill its contract. Per Exhibit 3 of the contract between the Academy and the Sponsor, by a majority of votes, the Board shall approve employment and the initial salary of all employees.

There was no supporting documentation that the Academy approved employees' salaries for the fiscal year.

The Academy's failure to maintain adequate support for expenditures could result in a loss of accountability over the Academy's finances, making it difficult to identify errors which could go undetected.

We recommend the Board approve all employee contracts in accordance with the contract between the Academy and the Sponsor.

**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-014</b>
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**Related Party Transactions**

Ohio Revised Code Section 2921.42(A)(1) prohibits a public official from authorizing or using the authority or influence of the public official's office to secure a public contract in which the public official, a member of the public official's family, or any of the public official's business associate has an interest. Ohio Revised Code Section 102.03(D) prohibits a public official from authorizing or using the authority or influence of office or employment, to secure anything of value or the promise or offer of anything of value that is of such a character as to manifest a substantial and improper influence upon the public official with respect to that person's duties.

Additionally, Ohio Revised Code Section 2921.42(A)(4) states that no public official shall knowingly have an interest in the profits or benefits of a public contract entered into by or for the use of the political subdivision or governmental agency or instrumentality with which the public official is connected.

The following issues were noted during our engagement:

- Dr. Kwa David Whitaker is the Chief Executive Officer of Ashe Culture Center, Inc. Ashe Culture Center, Inc. is the sponsor for the Academy. Jorethia Chuck is the wife of Dr. Kwa David Whitaker and also served on the Board of Trustees during the audit period. Ashe Culture Center, Inc. was paid a total of \$40,391 that did not appear to be for sponsor fees. Of this amount, \$3,891 was co-signed by Jorethia Chuck. Additionally, Dr. Kwa David Whitaker was paid a total of \$3,300.
- Exceptional Psychological Services is owned by Dr. Jorethia Chuck, who served on the Board of Trustees. Exceptional Psychological Services was paid \$17,960 after July 1, 2007 while Dr. Jorethia Chuck served on the Board of Trustees. Of this amount, \$1,060 was co-signed by Dr. Jorethia Chuck.

These matters will be referred to the Ohio Ethics Commission.

<b>FINDING NUMBER</b>	<b>2008-015</b>
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**Financial Reporting**

Section 2200.102 of the Codification of Governmental Accounting and Financial Reporting Standards provides the minimum requirements for general purpose external financial reporting as follows:

- Management's Discussion and Analysis;
- Basic financial statements which include
- Statement of Net Assets;
- Statement of Revenues, Expenditures, and Changes in Net Assets;
- Statement of Cash Flows; and
- Note disclosures

**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008  
(CONTINUED)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2008-015</b>
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**Financial Reporting (Continued)**

Although the Academy prepared the above noted financial statements and notes, the amounts reported on the Statement of Cash Flows specifically Cash Flows from Operating Activities, Cash at the Beginning of the Year and the Increase in Notes Payable were inaccurate. Therefore, the Statement of Cash Flows does not provide accurate information about how the Academy finances and meets its operating cash flow needs. Also, the Notes to the Financial Statements were incomplete and inaccurate. The Notes to the Financial Statements did not include the following required disclosures:

- Subsequent events which occurred after the report date; and
- Disclosure of operating leases.

In addition the pension note and the purchased service note disclosures were inaccurately reported.

We recommend the Academy pay particular attention to financial reporting requirements in place in the United States of America

The Client did not submit responses to Findings 2008-007 through 2008-015.

**PHOENIX VILLAGE ACADEMY S1  
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2008**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Plan Taken; or Finding No <u>Longer Valid</u> ; <b>Explain:</b>
2007-001	Finding for Recovery	No	Documentation not presented
2007-002	Finding for Recovery	No	Documentation not presented
2007-003	Finding for Recovery	No	Documentation not presented
2007-004	Finding for Recovery	No	Documentation not presented
2007-005	Finding for Recovery	No	Documentation not presented
2007-006	Financial Report Filing	Yes	
2007-007	Five Year Forecast	No	Reissued as 2008-007
2007-008	Capital Assets	No	Reissued as 2008-009
2007-009	Developing and Implementing an Effective Monitoring Control System	No	Reissued as 2008-010
2007-010	Condition of Accounting Records	No	Reissued as 2008-012
2007-011	Recording and Maintaining Board Minutes	No	Reissued as 2008-008
2007-012	Salary Approval	No	Reissued as 2008-013
2007-013	Conflict of Interest	No	Reissued as 2008-014
2007-014	Accurate Balances as of the Balance Sheet Date	Yes	
2007-015	Financial Reporting	No	Reissued as 2008-015



**Mary Taylor, CPA**  
Auditor of State

**PHOENIX VILLAGE ACADEMY SECONDARY 1**

**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  
JANUARY 19, 2010**