



Mary Taylor, CPA
Auditor of State

**GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS
CUYAHOGA COUNTY
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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Greater Cleveland Academy for Gifted Students
Cuyahoga County
3326 Broadview Road
Cleveland, Ohio 44109

To the Board of Trustees:

We have audited the accompanying basic financial statements of the Greater Cleveland Academy for Gifted Students, Cuyahoga County, Ohio (the Academy), as of and for the period July 1, 2006 to November 15, 2006 as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Greater Cleveland Academy for Gifted Students, Cuyahoga County, Ohio, as of November 15, 2006, and the changes in financial position and the cash flows, for the period ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note VIII, the Academy formally ceased operations on November 15, 2006.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 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, which consisted principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

February 12, 2009

GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS

Management's Discussion and Analysis

For the Period July 1, 2006 to November 15, 2006

Unaudited

The discussion and analysis of Greater Cleveland Academy for Gifted Students' (GCAGS) financial performance provides an overall review of financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the financial performance of GCAGS as a whole. Readers should also review the Notes to the Financial Statements and the Financial Statements to enhance their understanding of the financial performance of GCAGS.

Financial Highlights

Key financial highlights for the period July 1, 2006 to November 15, 2006 include the following:

- The school ceased operations as of November 15, 2006 due to insufficient student enrollment.
- Subsequent to November 15, 2006 all debts were satisfied either with cash payment or the acceptance of capital assets.
- A final Federal Tax Return (form 990) was filed on May 14, 2008.

Using this Financial Report

This report consists of three parts, Management's Discussion and Analysis, the Financial Statements and the Notes to the Financial Statements. The Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets and a Statement of Cash Flows.

Statement of Net Assets

The Statement of Net Assets looks at how well GCAGS has performed financially for the period July 1, 2006 through November 15, 2006. This statement includes all of the assets, liabilities and net assets using the accrual basis of accounting, which is the accounting method used by most private-sector companies. This basis of accounting takes into account all revenues earned and expenses incurred during the year, regardless as to when the cash is received or expended.

The following schedule provides a summary Statement of Net Assets for the period July 1, 2006 to November 15, 2006 and for the fiscal year ended June 30, 2006 for GCAGS.

GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS

Management's Discussion and Analysis

For the Period July 1, 2006 to November 15, 2006

Unaudited

	<u>2007</u>	<u>2006</u>
Assets		
Cash	\$ 3,259	\$ 17,126
Other Current Assets	12,646	21,681
Capital Assets	<u>62,045</u>	<u>62,045</u>
 Total Assets	 <u>77,950</u>	 <u>100,852</u>
Liabilities		
Current Liabilities	<u>1,784</u>	<u>23,090</u>
 Total Liabilities	 <u>1,784</u>	 <u>23,090</u>
Net Assets		
Invested in Capital Assets	62,045	62,045
Unrestricted	<u>14,121</u>	<u>15,717</u>
 Total Net Assets	 <u>\$ 76,166</u>	 <u>\$ 77,762</u>

Net Assets decreased \$1597, due to payment for various insurances. For assets, cash decreased \$13,867; due from other governments decreased \$122 and accounts receivable decreased \$8,913. For liabilities, accounts payable decreased \$21,306 from 2006.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets reports operating and non-operating activities for the period July 1, 2006 through November 15, 2006.

The following schedule provides a summary of the Statement of Revenues, Expenses and Changes in Net Assets for GCAGS for the period July 1, 2006 to November 15, 2006 and for the fiscal year ended June 30, 2006.

	<u>2007</u>	<u>2006</u>
Revenues		
Foundation and Poverty		
Based Assistance Revenues	\$ -0-	\$ 350,381
Other Operating Revenues	<u>-0-</u>	<u>13,987</u>
Operating Revenues	<u>-0-</u>	<u>364,368</u>
 Federal and State Grants	 -0-	 163,496
Private Grants and Contributions	<u>-0-</u>	<u>68</u>
Non-Operating Revenues	<u>-0-</u>	<u>163,564</u>

GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS

Management's Discussion and Analysis

For the Period July 1, 2006 to November 15, 2006

Unaudited

Total Revenues	<u>-0-</u>	<u>527,932</u>
Expenses		
Salaries	-0-	197,861
Fringe Benefits	-0-	59,345
Purchased Services	-0-	216,433
Materials and Supplies	-0-	34,771
Capital Outlay	-0-	4,119
Depreciation	-0-	21,576
Other Operating Expenses	<u>1,597</u>	<u>18,732</u>
Total Expenses	<u>1,597</u>	<u>552,837</u>
Net Loss	(1,597)	(24,905)
Net Assets at Beginning of Year	<u>77,762</u>	<u>102,667</u>
Net Assets at End of Year	<u>\$ 76,165</u>	<u>\$ 77,762</u>

Net Assets decreased in both reporting periods. This is due to increasing operating costs coupled with minimally increased enrollment during fiscal year 2006 and closing of the school for as of November 15, 2006. Federal grants due at the end of fiscal year 2006 were partially collected prior to November 15, 2006 with the remaining amounts collected in January 2007. Liabilities were partially liquidated prior to November 15, 2006 with the remaining liabilities being liquidated through June 27, 2007. Capital assets were disposed of subsequent to November 15, 2006.

Capital Assets

As of November 15, 2006, GCAGS had \$62,045 invested in computers and office equipment, furniture and equipment, and building improvements, net of depreciation. Depreciation was not charged during the period July 1, 2006 through November 15, 2006 because the school had suspended operations. There was no change in capital assets from June 30, 2006.

The following schedule provides a summary of Capital Assets as of November 15, 2006 and June 30, 2006 for GCAGS.

	<u>2007</u>	<u>2006</u>
Capital Assets (net of depreciation)		
Leasehold Improvements	\$ 49,709	\$ 49,709
Computers and Office Equipment	4,751	4,751
Furniture, Equipment & Materials	<u>7,585</u>	<u>7,585</u>
Net Fixed Assets	<u>\$ 62,045</u>	<u>\$ 62,045</u>

For more information on capital assets see the Notes to the Financial Statements.

GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS

Management's Discussion and Analysis

For the Period July 1, 2006 to November 15, 2006

Unaudited

Current Financial Issues

Greater Cleveland Academy for Gifted Students opened in the fall of 2004. During its two years of operations the school struggled to meet enrollment deemed necessary for the school to operate without financial assistance. Prior to its third year of operations the board deemed the enrollment to be insufficient to continue operations and voted to suspend operations of the school. On November 15, 2006 the board voted to close the school. Subsequent to closing, the assets of the school were used to satisfy the liabilities of the school. The school has no remaining assets or liabilities that management is currently aware of.

Contacting the School's Financial Management

This financial report is designed to provide our constituents with a general overview of the finances for GCAGS and to show accountability for the monies it receives. If you have any questions about this report or need additional information please contact Thomas F. Babb, CPA, Treasurer, by mail at Constellation Schools, 5983 West 54th Street, Parma, Ohio 44129; by e-mail at babb.thomas@constellationschools.com; by calling 440.845.7688; or by faxing 440.845.7689.

**Greater Cleveland Academy for Gifted Students
Cuyahoga County
Statement of Net Assets
As of November 15, 2006**

Assets:

Current Assets:

Cash	\$3,259
Due from Other Governments	<u>12,646</u>
<i>Total Current Assets</i>	15,905

Non-Current Assets:

Capital Assets (Net of Accumulated Depreciation)	<u>62,045</u>
<i>Total Assets</i>	<u>77,950</u>

Liabilities:

Current Liabilities:

Accounts Payable	1,033
Due Other Governments	<u>751</u>
<i>Total Current Liabilities</i>	<u>1,784</u>

Net Assets:

Investment in capital assets, net of related debt	62,045
Unrestricted	<u>14,121</u>
<i>Total Net Assets</i>	<u><u>\$76,166</u></u>

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

**Greater Cleveland Academy for Gifted Students
Cuyahoga County
Statement of Revenues, Expenses and
Changes in Net Assets
For the Period July 1, 2006 to November 15, 2006**

Operating Expenses:

Other Operating Expenses	<u>\$1,597</u>
<i>Total Operating Expenses</i>	<u>1,597</u>
Operating Loss	<u>(1,597)</u>
Net Loss	<u>(1,597)</u>
Net Assets at Beginning of the Year	<u>77,762</u>
Net Assets at End of Year	<u><u>\$76,165</u></u>

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

**Greater Cleveland Academy for Gifted Students
Cuyahoga County
Statement of Cash Flows
For the Period July 1, 2006 to November 15, 2006**

Increase (Decrease) in Cash:

Cash Flows from Operating Activities:

Cash Payments to Suppliers for Goods and Services	(\$23,716)
Other Operating Revenues	<u>9,727</u>
Net Cash Used for Operating Activities	<u>(13,989)</u>

Cash Flows from Noncapital Financing Activities:

Federal and State Grants Received	<u>122</u>
Net Cash Provided by Noncapital Financing Activities	<u>122</u>
Net Decrease in Cash	(13,867)
Cash at Beginning of Year	<u>17,126</u>
Cash at End of Year	<u><u>\$3,259</u></u>

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

**Greater Cleveland Academy for Gifted Students
Cuyahoga County
Statement of Cash Flows
For the Period July 1, 2006 to November 15, 2006
(Continued)**

**Reconciliation of Operating Loss to Net
Cash Used for Operating Activities:**

Operating Loss	<u>(\$1,597)</u>
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**Adjustments to Reconcile Operating Loss to
Net Cash Used for Operating Activities:**

Decrease in Accounts Receivable	9,727
(Decrease) in Accounts Payable	<u>(22,119)</u>

Total Adjustments	<u>(12,392)</u>
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Net Cash Used for Operating Activities	<u><u>(\$13,989)</u></u>
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The accompanying notes to the financial statements are an integral part of this statement.

GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS
- A Community School -
Cuyahoga County

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JULY 1, 2006 to NOVEMBER 15, 2006

I. Description of the School and Reporting Entity

Greater Cleveland Academy for Gifted Students (GCAGS) is a nonprofit corporation established on December 5, 2003 pursuant to Ohio Revised Code Chapters 3314 and 1702 to maintain and provide a school exclusively for any educational, literary, scientific and related teaching service that qualifies as an exempt organization under §501(c)(3) of the Internal Revenue Code. On March 28, 2006, GCAGS received a determination letter confirming tax-exempt status with the Internal Revenue Service 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 GCAGS' tax-exempt status. GCAGS, which is part of Ohio's education program, is independent of any school district. GCAGS may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of GCAGS.

GCAGS was approved for operation on January 20, 2004 under a contract between the Governing Authority of GCAGS and Lucas County Educational Service Center (LCESC) as their sponsor. The contract with LCESC was subsequently renewed effective November 2, 2006. GCAGS entered into an agreement with Constellation Schools (CS) to provide management services. See Note VII for further discussion of this management agreement.

On June 3, 2006 the Governing Authority voted to cease operating the school and to seek modifying the existing contract for another school. On November 15, 2006 the Governing Authority voted to formally close the school. All of the assets of the school were subsequently used to satisfy the liabilities that existed at the time of the closure.

GCAGS operated under a five-member Board of Directors. The Board was responsible for carrying out the provisions of the contract, which included, but were not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualification of teachers. The Board of Directors controlled GCAGS' instructional facility during the time that the school operated.

II. Summary of Significant Accounting Policies

The financial statements of GCAGS have been prepared in conformity with generally accepted accounting principles as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GCAGS also applies Financial Accounting Standards Board statements and interpretations issued on or before November 30, 1989, provided they do not conflict

GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS

**- A Community School -
Cuyahoga County**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JULY 1, 2006 to NOVEMBER 15, 2006**

with or contradict GASB pronouncements. The more significant of GCAGS' accounting policies are described below.

1. Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, 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.

2. 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 measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Assets. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. GCAGS prepares financial statements using the accrual basis of accounting. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded when the exchange takes place. Revenues resulting from non-exchange transactions, in which GCAGS receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when the use is first permitted; matching requirements, in which GCAGS must provide local resources to be used for a specified purpose; and expenditure requirements, in which resources are provided to GCAGS on a reimbursement basis. Expenses are recognized at the time they are incurred.

GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS
- A Community School -
Cuyahoga County

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JULY 1, 2006 to NOVEMBER 15, 2006

3. Cash

All monies received by GCAGS were deposited in demand deposit accounts.

4. Due From Other Governments

Monies due GCAGS as of November 15, 2006 which totaled \$12,646 were recorded as Due From Other Governments. A current asset for the receivable amount was recorded at the time of the event causing the moneys to be due.

5. Capital Assets and Depreciation

Capital assets are capitalized at cost and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the dates received. All items with a useful life of one year or greater and a value of \$500 or more are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets were depreciated through June 30, 2006. Depreciation of building improvements, computers, office equipment and furniture and equipment is computed using the straight-line method over their estimated useful lives. Improvements to fixed assets are depreciated over the remaining useful lives of the related fixed assets. Estimated useful lives are as follows:

Capital Asset Classification	Years
Building Improvements	5
Computers and Office Equipment	3
Furniture, Equipment and materials	10

6. Intergovernmental Revenues

In prior periods GCAGS participated in the State Foundation Program and the State Poverty Based Assistance Program. Revenues received from these programs were recognized as operating revenues in the accounting period in which all eligibility requirements were met. State and Federal Grants and Entitlements were recognized as non-operating revenues in the accounting period in which all eligibility requirements were met. During the period July 1, 2006 to November 15, 2006 \$122 for moneys due for fiscal year 2006 were collected. All other moneys due were collected subsequent to November 15, 2006.

GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS
- A Community School -
Cuyahoga County

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JULY 1, 2006 to NOVEMBER 15, 2006

7. Use of 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.

III. Deposits

As of November 15, 2006, the carrying amount of GCAGS' deposits totaled \$3,259 and its bank balance was \$3,363. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2007, none of the bank balance was exposed to custodial risk as discussed below, while all of the bank balance was covered by the Federal Depository Insurance Corporation.

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

IV. Risk Management

1. Property and Liability Insurance

GCAGS 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 period July 1, 2006 through November 15, 2006, GCAGS contracted with Cincinnati Insurance Company for all of its' insurance.

General liability is covered at \$4,000,000 single occurrence limit and \$5,000,000 aggregated. Hired and Non-Owned Vehicles are covered at \$500,000 combined single limit of liability. Other coverage includes Employee Crime, School Leaders Errors & Omissions, Sexual Abuse and Misconduct, Electronic Data Processing and Business Interruption.

GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS
- A Community School -
Cuyahoga County

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JULY 1, 2006 to NOVEMBER 15, 2006

2. Workers' Compensation

GCAGS made premium payments to the Ohio Worker's Compensation System for employee injury coverage. There have been no claims filed by GCAGS employees with the Ohio Worker's Compensation System between January 1, 2000 and November 15, 2006.

V. Capital Assets

A summary of capital assets at November 15, 2006 follows:

	Balance 6/30/06	Additions	Deletions	Balance 11/15/06
Capital Assets Being Depreciated:				
Leasehold Improvements	\$ 82,731	\$ 0	\$ 0	\$ 82,731
Computers/Office Equipment	12,583	0	0	12,583
Furniture, Equipment & Materials	<u>8,993</u>	<u>0</u>	<u>0</u>	<u>8,993</u>
Total Capital Assets Being Depreciated:	<u>104,307</u>	<u>0</u>	<u>0</u>	<u>104,307</u>
Less Accumulated Depreciation:				
Building Improvements	(33,021)	0	0	(33,021)
Computers/Office Equipment	(7,832)	0	0	(7,832)
Furniture and Equipment	<u>(1,409)</u>	<u>0</u>	<u>0</u>	<u>(1,409)</u>
Total Accumulated Depreciation:	<u>(42,262)</u>	<u>0</u>	<u>0</u>	<u>(42,262)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 62,045</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 62,045</u>

Subsequent to November 15, 2006 capital assets were distributed to Stockyard Community School, Lorain Academy for Gifted Students and Parma Community School.

GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS
- A Community School -
Cuyahoga County

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JULY 1, 2006 to NOVEMBER 15, 2006

VI. Contingencies

1. Grants

GCAGS received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs requires compliance with terms and conditions, specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of GCAGS. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on GCAGS at November 15, 2006.

2. Enrollment FTE

The Ohio Department of Education conducts reviews of enrollment and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The conclusions of this review could result in state funding being adjusted. As of the date of this report adjustments to the state funding received during fiscal year 2006 are reflected in the financial statements.

VII. Sponsorship and Management Agreements

GCAGS entered into an agreement with Lucas County Educational Service Center (LCESC) to provide sponsorship and oversight services as required by law. The agreement is effective October 16, 2003. Sponsorship fees are calculated as a percentage of state funds received by GCAGS, from the State of Ohio. There were no amounts due from GCAGS as of November 15, 2006.

GCAGS entered into agreements with Constellation Schools (CS) to provide legal, financial, and business management services. These agreements were for periods of one year each and were effective for the corresponding fiscal year. Management fees were calculated as a percentage of the Foundation payment received by GCAGS for the year, as reported in the Monthly Community School Foundation Report. As of November 15, 2006 there was \$10 due from GCAGS.

**GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS
- A Community School -
Cuyahoga County**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JULY 1, 2006 to NOVEMBER 15, 2006**

VIII. Subsequent Events – School Closed

On November 15, 2006 the Governing Authority voted to formally close the school. The following is a schedule of all receipt and expenditure transactions which occurred subsequent to November 15, 2006, and the effect these transactions had on the cash, receivables and liabilities of GCAGS through June 27, 2007.

				Cash	Receivable	Payable		
November 15, 2006								
Balances				3,258.86	12,645.53	1,784.39		
Date	Receipt	Expenditure	Payee/Vendor				Description	
11/22/06		0.79	Constellation Schools	(0.79)		(0.79)	Payroll Reserve	
12/08/06	3.32		Abitibi	3.32			Other Income	
01/22/07	12,645.53		State of Ohio	12,645.53	(12,645.53)		Federal Grants	
02/05/07	630.00		State of Ohio Transitional Management	630.00			BWC Grant	
02/08/07		630.00	Solutions	(630.00)			Grant Services Contracted	
02/16/07			IGM Copy Products			(209.15)	Services Credit	
02/28/07		8.76	Constellation Schools Stockyard Community	(8.76)		(8.76)	Contracted Services	
03/17/07		814.53	School	(814.53)		(814.53)	Utilities	
03/17/07		737.28	State of Ohio	(737.28)		(737.28)	Foundation Accrual	
03/17/07			State of Ohio			(13.88)	Adjustment	
04/23/07		4,319.68	State of Ohio	(4,319.68)			Audit Fees	
04/30/07	38.40		Plain Dealer	38.40			Void check	
04/30/07	16.11		USI	16.11			Void check	
05/07/07		210.24	Ohio Bureau of Workers Compensation	(210.24)			Unemployment Fees	
05/08/07		581.02	State of Ohio	(581.02)			Audit Fees	
06/06/07		51.08	State of Ohio	(51.08)			Audit Fees	
06/27/07	50.00		Johnny Bunch	50.00			Materials Fees	
06/27/07		50.00	Johnny Bunch	(50.00)			Materials Fees	
06/27/07		9,238.84	Constellation Schools	(9,238.84)			Contracted Services	
Totals				<u>0.00</u>	<u>0.00</u>	<u>0.00</u>		

**GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS
- A Community School -
Cuyahoga County**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD JULY 1, 2006 to NOVEMBER 15, 2006**

All of the liquid assets of the school were used to satisfy the liabilities that existed at the time of the closure. Capital assets were distributed to Stockyard Community School, Lorain Academy for Gifted Students and Parma Community School upon final closure of GCAGS, in accordance with the policies of the Ohio Department of Education and federal guidelines.



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*

Greater Cleveland Academy for Gifted Students
Cuyahoga County
3326 Broadview Road
Cleveland, Ohio 44109

To the Board of Trustees:

We have audited the basic financial statements of the Greater Cleveland Academy for Gifted Students, Cuyahoga County, Ohio, (the Academy) as of and for the period July 1, 2006 through November 15, 2006, wherein we noted the Academy ceased operations on November 15, 2006. 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

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

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We intend this report solely for the information and use of the Board of Trustees and management. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

February 12, 2009



Mary Taylor, CPA
Auditor of State

GREATER CLEVELAND ACADEMY FOR GIFTED STUDENTS
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
APRIL 16, 2009