CPA

Practice **Advisor**

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

profit manager of charter schools to share detailed financial records.

Mar. 13, 2013

March 13 — An Ohio county appeals court has upheld an order requiring the state's largest for-profit manager of charter schools to share detailed financial records.

"We affirm the portions of the decision of the Franklin County Court of Common Pleas ordering the production of documents in response to appellees' discovery request," Judge Julia L. Dorrian wrote for the three-judge panel. Judges Peggy Bryant and Susan Brown concurred in the ruling released yesterday.

The ruling is a win for charter schools — the appellees — that filed suit nearly three years ago challenging the authority of White Hat Management Co., a private firm owned by Akron businessman and major GOP donor David L. Brennan.

"We want to show how White Hat used state funds to build their own wealth rather than educate children," said Karen Hockstad, an attorney with Dinsmore and Shohl who is representing the schools. "We want to establish a money trail because we don't believe they used the money they received to educate kids but used it to buy property" in White Hat's name.

In June 2010, 10 Hope Academies and Life Skills Centers in Cleveland and Akron filed suit against White Hat, saying the company refused to disclose how it spent money it received. Under contracts with the company, the schools turned over 96 percent of operating funds they received from the state, and White Hat handled payroll, facilities and purchasing of equipment and supplies, and could hire and fire administrators and teachers.

Attorneys for the schools sought financial records from White Hat during pre-trial proceedings. White Hat, however, contended that the company had complied with

state law that spells out the information private management firms must disclose. It

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Copyright 2013 - The Columbus Dispatch, Ohio

Accounting • State and Local Taxes

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

 $\hbox{@ }2024$ Firmworks, LLC. All rights reserved