



Dave Yost • Auditor of State

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

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Dave Yost • Auditor of State

ACCOUNTANTS' REPORT

Legacy Academy for Leaders and the Arts
Mahoning County
1812 Oak Hill Avenue
Youngstown, Ohio 44507

Educational Resource Consultants of Ohio
Spectrum Office Tower
11260 Chester Road – Suite 230
Cincinnati, OH 45246

To Legacy Academy for Leaders and the Arts and the Sponsor:

We have selectively tested certain accounts, financial records, files, and reports of the Legacy Academy for Leaders and the Arts, Mahoning County, Ohio (the "School") as of and for the year ended June 30, 2011, following Ohio Administrative Code Section 117-4-02. We noted Management has not provided a written representation letter. It was noted that the School has not presented financial statements and notes in accordance with generally accepted accounting principles, nor was a Management's Discussion and Analysis prepared for the year ended.

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

As described in Note 6, the Academy suspended operation on June 30, 2011 and was closed by the Ohio Department of Education on June 30, 2011.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

Columbus, Ohio

November 15, 2013

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**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**STATEMENT OF CASH BANK BALANCE
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Amount</u>
Cash Bank Balance July 1, 2010	<u>\$11,247</u>
Cash Bank Balance June 30, 2011	<u>\$29,258</u>

See accompanying notes to the financial statements.

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**LEGACY ACADEMY FOR LEADERS & THE ARTS
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

1. Description of the School

The Legacy Academy for Leaders and the Arts (the "School"), is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 which began operation on October 1, 2001. The School's objective is the discovery, the development and the deployment of the leader within each child. This is accomplished by teaching each student how to identify, analyze and perform the dreams within. The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School.

The School was approved for operation under contract with Educational Resource Consultants of Ohio (the "Sponsor") thru June 30, 2011. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School operates under the direction of a five-member Governing Board. The Board is appointed by Mt. Calvary Pentecostal Church. The Governing Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

2. Summary of Significant Accounting Policies

In prior years, the financial statements of the School were not prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School also previously applied Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the School's accounting policies are described below.

A. Basis of Presentation

The basis of presentation is the cash bank balance only.

B. Cash

All monies received by the School are maintained in a separate account in the Academy's name. Total cash in the bank for all funds is presented on the accompanying "Statement of Cash Bank Balance" for year end.

C. Intergovernmental Revenues

The School participated in the State Foundation Program and Poverty-Based Assistance Program. Revenues from these programs are in the accounting period in which all eligibility requirements have been met because these programs are used to support the main operations of the School.

Grants and entitlements are recognized in the accounting period in which all eligibility requirements have been met.

**LEGACY ACADEMY FOR LEADERS & THE ARTS
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

D. Budgetary Process

Unlike other public schools 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 contract between the School and its Sponsor. The contract agreement between the School and its Sponsor does prescribe an annual budget requirement in addition to preparing a five year forecast which is to be updated on an annual basis.

3. Deposits

The Cash Bank Balance as of June 30, 2011 was \$29,258.

4. Contingencies

A. Grants

The School received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability.

B. Ohio Department of Education Enrollment Review

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the School. These reviews are conducted to ensure the School is reporting accurate student enrollment data to the State, upon which State foundation funding is calculated. The results of these reviews could result in state funding being adjusted.

5. Federal Tax Exempt Status

The School has not obtained tax exempt status under Section 501 (c) (3) of the Internal Revenue Code. Should the School fail to obtain federal tax exempt status, it could be subject to federal income tax, the effect of which has not been assessed.

6. School Closure

At the School's June 2, 2011 board meeting, the Board of Directors decided to close the School as of June 30, 2011 as a result of declining enrollment.



Dave Yost • Auditor of State

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

Legacy Academy for Leaders and the Arts
Mahoning County
1812 Oak Hill Avenue
Youngstown, Ohio 44507

Educational Resource Consultants of Ohio
Spectrum Office Tower
11260 Chester Road – Suite 230
Cincinnati, OH 45246

To Legacy Academy for Leaders and the Arts and the Sponsor:

We have selectively tested certain accounts, financial records, files, and reports of Legacy Academy for Leaders and the Arts, Mahoning County, Ohio (the "School"), as of and for the year ended June 30, 2011, following Ohio Administrative Code Section 117-4-02. We noted the Academy suspended operations on June 30, 2011 and closed as of June 30, 2011. Additionally, we noted Management has not provided a written representation letter. It was noted, the Academy has not presented financial statements and notes in accordance with generally accepted accounting principles, nor was a Management's Discussion and Analysis prepared for the year then ended.

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

Internal Control Over Financial Reporting

During our procedures related to the internal control over financial reporting we noted matters that, in our opinion, may have adversely affected the Academy's ability to record, process, summarize and report financial data consistent with assertions in the financial statements. In addition, these matters may have resulted in the occurrence of misstatements that are caused by error or fraud that would not be detected in a timely manner by employees when performing the assigned functions. These matters are described in the Schedule of Findings as items 2011-001, 2011-004, 2011-018, and 2011-020.

Compliance and Other Matters

We have tested compliance with certain provisions of laws, regulations, contract, and grant agreements applicable to the Academy. Noncompliance with these requirements may have impacted the Academy's ability to determine financial statement amounts. The results of our tests disclosed instances of noncompliance or other matters that are reported in the accompanying Schedule of Findings as items 2011-001 through 2011-017, 2011-019, and 2011-021.

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

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

Dave Yost
Auditor of State

Columbus, Ohio

November 15, 2013

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011**

<i>Finding Number</i>	2011-001
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Noncompliance and Material Weakness – Condition of Accounting Records

Ohio Administrative Code Section 117-2-02(A) provides that all local public offices shall maintain an accounting system and accounting records sufficient to engage 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 statement required by rule 117-2-03 of the Administrative Code.

Management is responsible for implementing and maintaining a system of controls designed to enable management to determine the accuracy of financial transaction of the Academy. Also, management is responsible for developing and maintaining complete and accurate financial records.

During our testing of the Academy’s receipt and disbursement cycles, we noted the following errors and irregularities to the Academy’s records:

- GAAP financial statements (including notes to the financial statements and management’s discussion and analysis) were not prepared for the audit period;
- Payroll payments were made by the School for which supporting documentation was not on file, such as W-2 and W-4 reports, to enable the Auditor of State to accurately determine whether employees of the School were being properly paid;
- Documentation was not maintained for leave balances for the staff of the school
- Capital asset records maintained by the School did not present all of the assets owned by the School and did not provide a means of identifying which items were capitalized;
- There was no evidence the Board approved expenditures prior to being made, nor did they review expenditures after they were made to ensure they were accurately recorded, necessary and for a proper public purpose;
- No one independent of the purchasing process reviewed the activity to ensure the accuracy, appropriateness, or allowability of the expenditure;
- No evidence of the Board members or management’s monitoring controls over the monthly and annual financial statements; the revenue and expenditures internal control process; the compliance with grant agreements for federal and state grants; ensuring that an adequate segregation of duties exists; and review of the monthly bank reconciliations;
- No evidence of a capital asset listing was provided;
- A capital asset accounting system, which maintains a complete capital asset listing by location, with tag or other identification numbers and other pertinent information has not been developed;
- The School has not developed and implemented procedures to record assets as additions when purchased and deletions when disposed of through the year;
- The School does not have a listing of capital assets purchased with federal funds to ensure that items purchased with federal funds are used for that specific purpose; and
- The School did not provide any invoices or receipts related to a number of expenditures made by the School;
- The School did not provide any receipt or disbursement ledgers for the audit period;
- The School did not provide any minutes of the Board meetings for the audit period;

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-001 (continued)
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- The School did not provide any evidence that 1099s were properly issued during the audit period;
- The School was missing Management’s Discussion and Analysis, financial statements, and note disclosures to the financial statements which were not prepared as required by the Government Accounting Standards Board for FY 2011;
- The School did not maintain the supporting documentation for student full-time equivalencies reported to the Ohio Department of Education;
- The School failed to provide a general ledger, trial balances, or other supporting documentation.
- The School did not provide an enrollment application to verify that tuition was not being charged.
- The School did not provide a formal policy governing the use of credit cards.
- The School did not provide a formal policy governing the reimbursement of travel expenses.

Failure to maintain records to support the financial statements impedes management’s ability to make informed decisions as well as provide for the integrity of the Academy’s financial statements and related assets.

<i>Finding Number</i>	2011-002
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Noncompliance - Sponsor Monitoring

Ohio Revised Code Section 3314.03 (C) provides that a contract entered into under Section 3314.02 of the Revised Code between a sponsor and the governing authority of a community school may provide for the community school governing authority to make payments to the sponsor, which is hereby authorized to receive such payments as set forth in the contract between the governing authority and the sponsor. The total amount of such payments for oversight and monitoring of the school shall not exceed three per cent of the total amount of payments for operating expenses that the school receives from the state. **Ohio Revised Code Section 3314.03 (D)** provides that the contract shall specify the duties of the sponsor which shall be in accordance with the written agreement entered into with the Department of Education under division (B) of Section 3314.015 of the Revised Code and shall include the following:

- (1) Monitor the community school’s compliance with all laws applicable to the school and with the terms of the contract;
- (2) Monitor and evaluate the academic and fiscal performance and the organization and operation of the community school on at least an annual basis;
- (3) Report on an annual basis the results of the evaluation conducted under division (D)(2) of this section to the Department of Education and to the parents of students enrolled in the community school;
- (4) Provide technical assistance to the community school in complying with laws applicable to the school and terms of the contract;

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-002 (continued)
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- (5) Take steps to intervene in the school's operation to correct problems in the school's overall performance, declare the school to be on probationary status pursuant to Section 3314.073 of the Revised Code, suspend the operation of the school pursuant to Section 3314.072 of the Revised Code, or terminate the contract of the school pursuant to Section 3314.07 of the Revised Code as determined necessary by the sponsor;
- (6) Have in place a plan of action to be undertaken in the event the community school experiences financial difficulties or closes prior to the end of a school year.

There was no evidence to support that the Sponsor was monitoring the School as noted by the above criteria.

<i>Finding Number</i>	2011-003
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Noncompliance – Education Information Management System (EMIS)

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

Subsection (A) prescribes:

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

Subsection (B) prescribes:

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

Subsection (C) prescribes:

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

Subsection (D) prescribes:

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

and

Subsection (E) prescribes:

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

The Academy did not maintain accurate Education Management Information System (EMIS) data, nor have it readily available for review by outside agencies.

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-004
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Noncompliance and Material Weakness – Undocumented Enrollment for State Foundation Funding

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

The contract between the sponsor and the governing authority made no such specification.

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

For the audit period of July 1, 2010 through June 30, 2011, the Academy was unable to provide:

- Student files documenting how many students attended the school and the duration of attendance;
- Records documentation how many hours the school was in session or what type of instruction was offered and the assurance of 920 hours of instruction to each student;
- Student attendance sheets; and
- Documentation over enrollment/withdrawal dates of its students.

As a result, State Foundation payments totaling \$309,704 in fiscal year 2011 were unsubstantiated.

<i>Finding Number</i>	2011-005
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Noncompliance - Anti-Bullying Policy

Ohio Revised Code Section 3314.03(A)(11)(d) requires community schools to contract that the school will comply with the requirements of **Ohio Revised Code Section 3313.666**. ORC Section 3313.666 provides that the board of education of each city, local, exempted village, and joint vocational school district and the governing authority of each community (charter) school must adopt an anti-bullying policy in consultation with parents, school employees, school volunteers, students, and community members.

The policy must prohibit the harassment, intimidation, or bullying of any student on school property or at a school-sponsored activity. It also must define the term "harassment, intimidation, or bullying" in a manner that includes the definition prescribed in ORC Section 3313.666. The Code defines that term as "an intentional written, verbal, or physical act that a student has exhibited toward another student more than once and the behavior both (1) causes mental or physical harm to the other student, and (2) is sufficiently severe, persistent, or pervasive that it creates an intimidating, threatening, or abusive educational environment for the other student."

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-005 (continued)
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Ohio Revised Code Section 3313.666(A) describes that an anti-bullying policy should include:

- A procedure for reporting prohibited incidents;
- A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
- A requirement that the parents or guardians of a student involved in a prohibited incident be notified and, to the extent permitted by state and federal law governing student privacy, have access to any written reports pertaining to the prohibited incident;
- Procedures for documenting, investigating, and responding to a reported incident;
- A requirement that the district or community school administration provide semiannual written
- summaries of all reported incidents to the president of the district board of education or community school governing authority, and post them on the district's or school's website (if applicable);
- A strategy for protecting a victim from additional harassment and from retaliation following a report; and
- The disciplinary procedure for a student who is guilty of harassment, intimidation, or bullying.

The School did not establish an Anti-bullying policy as directed by the Ohio Revised Code.

<i>Finding Number</i>	2011-006
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Noncompliance - Record of Minutes/Holding Public Meetings

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

Ohio Revised Code Section 121.22(F) provides that every public body, by rule, shall establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings. A public body shall not hold a special meeting unless it gives at least twenty-four hours' advance notice to the news media, except in the event of an emergency requiring immediate official action. In the event of an emergency, the member or members calling the meeting shall notify the news media that have requested immediate notification.

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

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-006 (continued)
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The Board should stay informed of financial matters throughout the fiscal year. During the audit, we noted the following items:

- We were unable to determine whether meetings were held on the scheduled meeting dates as no records were available for review. As a result, we were not able to opine over the completeness and availability of all minutes of the legislative or other bodies and committee meetings;
- We were unable to determine if meetings were properly advertised during the audit period.

The Academy did not have procedures in place necessary to maintain compliance with this section of the law. In as much as the School Board Members speak through its minutes, all actions of school should be documented in the minute records with as much detail as possible, and with proper and accurate reference to supporting documentation. Without proper authorization, illegal transactions or payments could occur without the knowledge of the school officials. Also, these records provide management with the needed future references for informed decision making, and should be available for the public inspection of legislative decision of the School Board Members.

<i>Finding Number</i>	2011-007
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Noncompliance – Establishment of Records Retention Policy, Public Records Policies and Posters

Ohio Revised Code Section 149.43 provides, in part, that all public offices are required to adopt a public records policy that describes how the public office will be responding to public records requests. To ensure that all employees of public offices are appropriately educated about a public office's obligations under division (B) of this section, all elected officials or their appropriate designees shall attend training approved by the attorney general as provided in Section 109.43 of the Revised Code. In adopting a public records policy under this division, a public office may obtain guidance from the model public records policy developed and provided to the public office by the attorney general under Section 109.43 of the Revised Code. Except as otherwise provided in this section, the policy may not limit the number of public records that the public office will make available to a single person, may not limit the number of public records that it will make available during a fixed period of time, and may not establish a fixed period of time before it will respond to a request for inspection or copying of public records, unless that period is less than eight hours.

The public office shall distribute the public records policy adopted by the public office under division (E) (1) of this section to the employee of the public office who is the records custodian or records manager or otherwise has custody of the records of that office. The public office shall require that employee to acknowledge receipt of the copy of the public records policy. The public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices. The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site. A public office that has established a manual or handbook of its general policies and procedures for all employees of the public office shall include the public records policy of the public office in the manual or handbook.

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-007 (continued)
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Ohio Revised Code Section 149.43(B)(2) provides, the entity shall have available a copy of its current records retention schedule at a location readily available to the public. The Auditor of State, in the course of an annual or biennial audit of a public office pursuant to Ohio Revised Code Chapter 117 shall audit the public office for compliance with this section and divisions (B) and (E) of Ohio Revised Code Section 149.43. [Ohio Revised Code Section 109.43(G)] The Auditor of State must ensure compliance with public records policy provisions

The School could not provide documentation that it complied with the provisions of this statute, including adopting a public records policy, providing a copy of the Records Retention Policy, posting the public records policy, or attending the required training.

<i>Finding Number</i>	2011-008
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Noncompliance – 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 the purpose of making 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 Administrative Code Section 3301-92-04(A) provides 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) also provides 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.

The Academy did not submit a five-year projection to the Ohio Department of Education.

Failure to prepare and submit the five-year projection diminishes management's ability to adequately monitor the Academy's current and projected financial viability and make informed decisions.

<i>Finding Number</i>	2011-009
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Noncompliance – Annual Report of Activities

Ohio Revised Code Section 3314.03(A)(11)(g) provides that the community schools governing authority is required to submit an annual report of its activities and progress in meeting the goals and standards of Ohio Revised Code Section 3314.03(A)(3) and (4) (academic goals to be achieved and method of measurement to determine progress and performance standards to evaluate a community school's success) and its financial status to the sponsor and the parents of all students enrolled in the community school. The report must be submitted within four months after the end of each school year.

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-009 (continued)
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The community school must collect and provide any data that the legislative office of education oversight requests in furtherance of any study or research that the general assembly requires the office to conduct.

The Academy did not provide any evidence that the required annual reports of its activities and progress in meeting the goals and standards were submitted as required by the above Ohio Revised Code Section, as well as, its financial status to the sponsor and the parents of all students enrolled in the Academy for the audit period.

<i>Finding Number</i>	2011-010
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Noncompliance - Annual Report Filing

Ohio Revised Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The report shall be certified by the proper officer or board and filed with the Auditor of State within one hundred fifty days of the end of the fiscal year if GAAP statements are filed. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. In part, this report shall contain the amount of collections and receipts as well as accounts due from each source and the amount of expenditures for each purpose.

Ohio Administrative Code Section 117-2-03(B) further clarifies the filing requirement of Ohio Revised Code Section 117.38. This section requires that all community schools file annual financial reports which are prepared using generally accepted accounting principles. Generally accepted accounting principles (GAAP) require the following:

- Management's Discussion and Analysis;
- Balance sheet as prescribed by GAAP standards;
- Income and expense statement as prescribed by GAAP standards;
- Cash flow statement as prescribed by GAAP standards; and
- Notes to the financial statements as prescribed by GAAP standards.

The Academy did not file the June 30, 2011 financial report, which was required to be filed no later than November 30, 2011.

In addition, Ohio Rev Code Section 117.38 provides, in part, that "at the time the report is filed with the Auditor of State, the chief fiscal officer, except as otherwise provided in Section 319.11 of the Ohio Rev. Code, shall publish notice in a newspaper published in the political subdivision or taxing district, and if there is no such newspaper, then in a newspaper of general circulation in the political subdivision or taxing district. The notice shall state the financial report has been completed by the public office and is available for public inspection at the office of the chief fiscal officer."

No evidence was provided, by the Academy, that this required notice was published. This may prevent the public from being aware of the transparency available in the Academy. By not filing their financial reports and annual notice, the Academy is not fulfilling their duties of accountability and transparency to the public.

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-011
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Noncompliance – Sponsor Contract - Governance

Community School Contract – Governance – Exhibit III, Section 1.1 provides that the board shall consist of nine trustees from whom four officers will be elected consisting of Chair, Vice-Chair, Secretary, and Treasurer. The board shall be a group of representatives, consisting of professionals and members at large. One member will be the parent of a student currently enrolled at the school and one member of the teaching staff will be an ex-officio member.

Additionally, Community School Contract - Governance - Exhibit III, Section 4.2 provides that a special meeting specifically set aside for board training and goal setting will be held each year in July or August.

During the audit period, there were five members of the Board, rather than the required nine members. Additionally, the Board only had two officers, the Business Manager and the Treasurer and the Board does not have the training required by the Contract.

<i>Finding Number</i>	2011-012
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Noncompliance - Federal Income Tax Withholding

26 USC Sections 3102 and 3402 require the employing government to withhold federal and employment-related taxes (such as Medicare and Social Security) from each employee. Furthermore, these chapters hold employers liable for reporting and payment of these taxes.

As of July 1, 2010, The School had withheld from employees but failed to remit Federal Income Taxes in the amount of \$102,768 and FICA/Medicare in the amount of \$38,777. For fiscal year 2011, we were unable to determine if the proper amounts of Federal Income Tax and FICA/Medicare were properly withheld from employees. We were also unable to determine if the proper amounts of Federal Income Tax and FICA/Medicare were remitted to the Federal Government.

This matter has been referred to the Internal Revenue Service.

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-013
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Noncompliance - State of Ohio Income Tax Withholding

Ohio Revised Code Section 5747.06 provides that every employer, including political subdivisions, maintaining an office or transacting business within this state and making payment of any compensation to any employee who is a taxpayer shall deduct and withhold from such compensation for each payroll period a tax computed in such manner as to result, as far as practicable, in withholding from the employee's compensation during each calendar year an amount substantially equivalent to the tax reasonably estimated to be due from the employee under this chapter and Chapter 5748 of the Revised Code with respect to the amount of such compensation included in the employee's adjusted gross income during the calendar year.

Ohio Revised Code Section 5747.07 (B) provides that, with certain exceptions, every employer required to deduct and withhold any amount under Ohio Revised Code Section 5747.06 shall file a return and shall pay the amount required by law.

As of July 1, 2010, the School had withheld from employees but failed to remit Ohio Income Taxes in the amount of \$148,251. For fiscal year 2011, we were unable to determine if the correct amount of Ohio Income Taxes were properly withheld from employees. We were also unable to determine if the proper amounts of Ohio Income Tax were remitted to the State of Ohio.

This matter has been referred to the Ohio Department of Taxation.

<i>Finding Number</i>	2011-014
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Noncompliance - City of Youngstown Income Tax Withholding

Youngstown City Codified Ordinance 181.06 (a) provides that in accordance with rules and regulations prescribed by the Director of Finance, each employer within or doing business within the City shall be deducted at the time of the payment of such salary, wage, commission, or other compensation, the tax of two and three-quarter percent (2 3/4 %) of the gross salaries, wages, commissions or other compensation due by the employer to the employee, less the credit provided by **Youngstown City Codified Ordinance 181.15**, and shall, on or before the last day of the month following the close of each calendar quarter make a return and pay to the Director the amount of taxes so deducted. Such returns shall be on a form or forms prescribed by or acceptable to the Director and shall be subject to the rules and regulations prescribed therefore by the Director. Such employer shall be liable for the payment of the tax required to be deducted and withheld, whether or not such taxes have in fact been withheld.

As of July 1, 2010, the School had withheld from employees but failed to remit Youngstown City Income Taxes in the amount of \$86,367. For fiscal year 2011, we were unable to determine if the proper amounts of Youngstown City Income Taxes were properly withheld from employees. We were also unable to determine if the proper amounts of Youngstown City Income Tax were remitted to the City of Youngstown.

This matter has been referred to the City of Youngstown.

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-015
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Noncompliance - Treasurer's Bond

Ohio Revised Code Section 3314.011 provides every community school established under this chapter shall have a designated fiscal officer. The Auditor of State may require by rule (**see OAC117-6-07 below**) that the fiscal officer of any community school, before entering upon duties as the fiscal officer of the school, execute a bond in an amount and with surety to be approved by the governing authority of the school, payable to the state, conditioned for the faithful performance of all the official duties required of the fiscal officer. Any such bond shall be deposited with the governing authority of the school, and a copy thereof, certified by the governing authority, shall be filed with the county auditor.

Additionally, Ohio Administrative Code Section 117-6-07 requires a community school fiscal officer to execute a bond prior to entering upon the duties of the fiscal officer as provided for in **Ohio Revised Code Section 3314.011**. The governing authority prescribes the bond amount and surety by resolution.

The School did not execute a bond for the Fiscal Officer. Additionally, the bond amount was not approved by the Board. This could result in the bond amount being inadequate and the School assuming unnecessary liability.

<i>Finding Number</i>	2011-016
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Noncompliance – Finding for Recovery Unsupported Expenditures – Treasurer and Business Manager

Finding For Recovery

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

Auditor of State Bulletin 2003-005 *Expenditure of Public Funds/Proper “Public Purpose,”* provides that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

During fiscal year 2011, Legacy Academy for Leaders and the Arts issued 16 checks to various vendors for which there was no additional supporting documentation on file, proper approval of the Governing Board could not be verified, and the purpose or necessity for the expenditure was not documented. This missing documentation should have included invoices, receipts or bills, as well as other documentation supporting the payment. These payments are detailed below.

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-016 (continued)
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	<u>Check No.</u>	<u>Check Date</u>	<u>Check Amount</u>	<u>Vendor Name</u>
1.	10535	05/14/10	456.66	Reliable Office Supplies
2.	10574	06/14/10	3,356.31	John R. Green
3.	10578	06/14/10	440.27	School Mate
4.	10601	06/24/10	170.00	Carrie Sammartino
5.	10602	06/24/10	198.00	David Ferrebee
6.	10603	06/24/10	170.00	Glen Windram
7.	10604	06/24/10	170.00	Karla Hoffman
8.	10605	06/24/10	417.00	Karla Randall
9.	10606	06/24/10	954.39	Postal Mail Sort, ltd.
10.	10607	06/24/10	170.00	Shirley Young
11.	10609	06/24/10	170.00	Tahndieka Odum
12.	10683	08/13/10	5,000.00	Ohio Treasurer of State
13.	10687	08/19/10	5,000.00	Mt. Calvary Pentecostal Church
14.	10718	09/17/10	5,000.00	Mt. Calvary Pentecostal Church
15.	10720	09/21/10	255.64	Turner Dairy Farms, Inc.
16.	10784	10/29/10	13.65	United States Postal Office
			<u>\$21,941.92</u>	

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

The checks in question were signed by Carl Shye, Fiscal Officer and Ed Bolling, Business Manager.

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

In accordance with the foregoing facts, and pursuant to Section 117.28 of the Ohio Revised Code, a finding for recovery of public money illegally expended is hereby issued against Carl Shye, Fiscal Officer and Ed Bolling, Business Manager, jointly and severally, in the amount \$21,491 and in favor of the Ohio Department of Education.

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-017
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Noncompliance – Finding for Recovery -Unsupported Expenditures – Treasurer

Finding For Recovery

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

Auditor of State Bulletin 2003-005 *Expenditure of Public Funds/Proper “Public Purpose”* provides that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

During fiscal year 2011, Legacy Academy for Leaders and the Arts issued fifty checks to various vendors for which there was no additional supporting documentation on file, proper approval of the Governing Board could not be verified, and the purpose or necessity for the expenditure was not documented. This missing documentation should have included invoices, receipts or bills, as well as other documentation supporting the payment. These payments are detailed below.

	<u>Check No.</u>	<u>Check Date</u>	<u>Check Amount</u>	<u>Vendor Name</u>
1.	10767	10/26/10	81.43	Turner Dairy Farms, Inc.
2.	10783	10/29/10	94.48	Turner Dairy Farms, Inc.
3.	10785	11/05/10	93.86	Turner Dairy Farms, Inc.
4.	10804	11/12/10	106.14	Turner Dairy Farms, Inc.
5.	10826	12/14/10	307.04	Turner Dairy Farms, Inc.
6.	10864	01/14/11	5,000.00	Carl W. Shye Jr.
7.	10869	01/22/11	2,000.00	Carl W. Shye Jr.
8.	10877	01/28/11	702.50	Karla M. Randall
9.	10887	02/07/11	1,750.00	Antone's Banquet Center
10.	10888	02/07/11	129.54	Turner Dairy Farms, Inc.
11.	10889	02/07/11	26.50	United States Post Office
12.	10891	02/09/11	31.55	United States Post Office
13.	10905	02/23/11	1,982.50	Antone's Banquet Center
14.	10906	02/23/11	13.25	United States Post Office
15.	10919	02/25/11	3,627.24	Anthem Blue Cross Blue Shield
16.	10920	02/25/11	13.25	United States Post Office
17.	10921	03/02/11	1,056.00	R.C. Enterprises
18.	10923	03/02/11	26.50	United States Post Office
19.	10939	03/14/11	1,732.50	Antone's Banquet Center
20.	10940	03/14/11	1,056.00	R.C. Enterprises
21.	10960	04/01/11	539.49	Dell Financial Services
22.	10961	04/01/11	13.25	U.S. Postal Service
23.	10962	04/06/11	399.25	Carl W. Shye Jr.
24.	10964	04/06/11	18.30	United States Post Office
25.	10966	04/08/11	13.25	United States Post Office
26.	10988	04/19/11	1,204.30	GE Capital

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

27.	10992	04/21/11	2,750.00	Antone's Banquet Center
28.	10994	04/27/11	13.25	United States Post Office
29.	10954	03/29/11	1,249.62	Anthem Blue Cross Blue Shield
30.	10995	04/28/11	13.25	U.S. Post Office
31.	10999	05/17/11	1,875.00	Antone's Banquet Center
32.	11000	05/17/11	284.71	Carl Sims
33.	11003	05/17/11	850.27	Reliable Office Supplies
34.	11007	05/17/11	70.50	United States Post Office
35.	11009	05/19/11	1,452.60	Carl Sims
36.	11010	05/19/11	100.00	Carl Sims
37.	11013	05/26/11	13.25	United States Post Office
38.	11012	05/26/11	3,000.00	Legacy Academy for Leaders & The Arts
39.	11016	05/19/11	1,078.20	Ohio Edison
40.	11017	05/19/11	960.00	R.C. Enterprises
41.	11018	05/31/11	2,725.00	Antone's Banquet Center
42.	11019	05/31/11	1,293.57	Turner Dairy Farms, Inc.
43.	11020	05/31/11	180.00	Mahoning Valley Parent Magazine
44.	11027	06/29/11	13.25	U.S. Post Office
45.	11029	07/08/11	640.00	Nana's Nest Childcare Center
46.	11030	07/08/11	288.00	R.C. Enterprises
47.	11031	07/13/11	13.25	Postmaster
48.	11036	08/15/11	13.25	U.S. Postal Service
49.	11038	08/22/11	7,000.00	Carl W. Shye Jr.
50.	11040	08/29/11	13.25	U.S. Postal Service
			<u>\$47,908.34</u>	

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

The checks in question were signed by Carl Shye, Fiscal Officer.

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

In accordance with the forgoing facts, and pursuant to Section 117.28 of the Ohio Revised Code, a finding for recovery of public money illegally expended is hereby issued against Carl Shye, Fiscal Officer, in the amount \$47,908 and in favor of the Ohio Department of Education.

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-018 (continued)
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Material Weakness - Bank Reconciliations

The School's bank reconciliations did not agree with the cash balances as shown on the Statement of Cash Bank Balance. We were unable to determine the reason for the reconciliations not agreeing with the cash balances as shown on the Statement of Cash Bank Balance due to the fact that the School did not provide us with computer system generated check ledgers.

This situation has led to the inability of the School to perform accurate bank reconciliations, detect accounting errors or other irregularities on a timely basis, and of maintaining proper cash management over these accounts. This could result in material misstatements to the financial statements.

This has led to the issuance of a disclaimer of an opinion.

<i>Finding Number</i>	2011-019
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Noncompliance - Personal Information

Ohio Revised Code Chapter 1347 contains legal requirements related to personal information systems which are applicable to *all state and local agencies* and defines the terms and uses of this information. Specific excerpts from these requirements are highlighted below:

Ohio Revised Code Section 1347.01(E) provides "personal information" means any information that describes anything about a person, or that indicates actions done by or to a person, or that indicates that a person possesses certain personal characteristics, and that contains, and can be retrieved from a system by a name, identifying number, symbol, or other identifier assigned to a person.

Ohio Revised Code Section 1347.05(F) provides that procedures should be developed for purposes of monitoring the accuracy, relevance, timeliness, and completeness of the personal information in this system.

The School did not provide evidence that such a policy explaining the personal information system procedures exists.

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-020
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Material Weakness – Lack of Management Representation.

AICPA Codification of Auditing Standards (AU) Section 33 states that the auditor should obtain written representations from current management on all periods covered in the audit report. An auditor should obtain representation from those members of management with overall responsibility for financial and operating matters whom the auditor believes are responsible for and knowledgeable about, directly or through others in the organization, the matters covered by the representations.

AU section 33 further states that management's refusal to furnish written representations constitutes a limitation on the scope of the audit sufficient to preclude an unqualified opinion and is ordinarily sufficient to cause an auditor to disclaim an opinion or withdraw from the engagement.

Therefore, based on management's refusal to provide written representation in connection with the audit of the financial statements we disclaimed an opinion on the financial statements.

<i>Finding Number</i>	2011-021
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Noncompliance – Community School Closing Procedures

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

Ohio Revised Code Section 3314.03(D) provides the contract shall specify the duties of the sponsor which shall be in accordance with the written agreement entered into with the department of education under division (B) of Section 3314.015 of the Revised Code and shall include, among other things, the following: have in place a plan of action to be undertaken in the event the community school experiences financial difficulties or closes prior to the end of a school year. Per the contract between the community school and the sponsor, when the school closes the school is required to take the following actions:

- Notify ODE, STRS and SERS, and the sponsor that the school is closing.
- Arrange for dissemination of all school records to students' districts of residence, with a list of all records and their destination sent to the sponsor.
- Arrange to send all school's non-student, non-personnel records to the sponsor.
- Inform the school's staff of the decision to close the school.
- Review the history of the school, provide the reasons for closing, and share the school's commitment to the staff (facilitate employment, ensure STRS and SERS contributions, clarify medical benefits, ensure that each faculty's LPDC information is current and available to the teachers, etc.).

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2011
(Continued)**

<i>Finding Number</i>	2011-021 (continued)
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Noncompliance – Community School Closing Procedures (continued)

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

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

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

Official's Response:

The Academy did not respond to the findings reported.

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**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid;
2010-001	26 USCS Sections 3102 and 3402 – School properly withheld federal income taxes from employees but failed to file a return and remit the taxes to the federal government.	No	Not Corrected – Reissued as Finding Number 2011-012.
2010-002	ORC Sections 5747.06 and 5747.07 (B) - School properly withheld Ohio income taxes from employees but failed to file a return and remit the taxes to the State of Ohio.	No	Not Corrected – Reissued as Finding Number 2011-013.
2010-003	Youngstown City Codified Ordinance 181.06 (a) and 181.15 - School properly withheld City of Youngstown income taxes from employees but failed to file a return and remit the taxes to the City of Youngstown	No	Not Corrected – Reissued as Finding Number 2011-014.
2010-004	ORC Section 3314.011 and OAC Section 117-6-07 – the School did not execute a bond for the Fiscal Officer.	No	Not Corrected – Reissued as Finding Number 2011-015.
2010-005	ORC Section 149.43 – School could not provide sufficient payroll documentation.	No	Not Corrected – Reissued as Finding Number 2011-001.
2010-006	School's bank reconciliations did not agree with the <i>Statement of Cash Bank Balance</i> .	No	Not Corrected – Reissued as Finding Number 2011-018.

**LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2011
(Continued)**

2010-007	The School did not maintain strong monitoring controls.	No	Not Corrected – Reissued as Finding Number 2011-001.
2010-008	Difficulties were encountered in trying to perform the audit of the School.	No	Not Corrected – Reissued as Finding Number 2011-001.



Dave Yost • Auditor of State

LEGACY ACADEMY FOR LEADERS AND THE ARTS

MAHONING 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
DECEMBER 3, 2013**