



**Auditor of State
Betty Montgomery**

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Dohn Community High School
Hamilton County
608 E. McMillan Street
Cincinnati, Ohio 45206

To The Board of Trustees:

We have audited the accompanying basic financial statements of Dohn Community High School, Hamilton County, Ohio (the School), as of and for the year ended June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the School'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 School, as of June 30, 2004, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2004, the School implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2005 on our consideration of the School'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 the Governmental Accounting Standards Board 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 "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 13, 2005

**DOHN COMMUNITY HIGH the School
HAMILTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
(Unaudited)**

The discussion and analysis of Dohn Community High School, Hamilton County, Ohio (the School), financial performance provides an overall view of the School's financial activities for the year ended June 30, 2004. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School's financial performance.

Financial Highlights

Total Net Assets were \$1,196,087
Total Revenue was \$1,211,981
Total Expenses were \$485,358.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School as a financial whole, an entire operating entity.

The *Statement of Net Assets* and *Statement of Revenues, Expenses, and Changes in Net Assets* provide information about the activities of the School, presenting an aggregate view of the School's finances. In case of the School, there is only one fund presented.

Reporting the School as a Whole

Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets

The view of the School as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" The *Statement of Net Assets* and the *Statement of Revenue, Expenses, and Changes in Net Assets* answer this question. These statements include *all assets and liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the School as a whole, the *financial position* of the School has improved or diminished. The causes of this may be the result of many factors, some financial, some not. Non-financial factors which could affect the School's financial position include: current laws in Ohio restricting revenue growth, facility conditions, and required educational programs.

Table 1 provides a summary of the School's net assets for 2004:

**DOHN COMMUNITY HIGH the School
HAMILTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
(Unaudited)
(Continued)**

Table 1
Net Assets
(In Thousands)

	2004	2003	Variance
Assets			
Current Assets	\$ 370.4	\$ 14.5	\$ 355.9
Land	19.0	-	19.0
Capital Assets, Net of A/D	934.6	601.4	333.2
Total Assets	<u>1,324.0</u>	<u>\$ 615.9</u>	<u>708.1</u>
Liabilities			
Current Liabilities	127.9	\$ 146.5	(18.6)
Total Liabilities	<u>127.9</u>	<u>146.5</u>	<u>(18.6)</u>
Net Assets			
Investment in Capital Assets, Net	953.6	-	953.6
Unrestricted	242.5	469.4	(226.9)
Total Net Assets	<u>\$ 1,196.1</u>	<u>\$ 469.4</u>	<u>\$ 726.7</u>

The net assets of the School increased by \$708,033. An analysis of cash flows for operating activities in 2004 demonstrates unrestricted cash payments exceeding cash receipts for operating activities by \$69,883. The net cash provided by noncapital financing activities adds \$582,143 to the cash provided by operating activities. Current assets increase is a result of a \$211,510 increase in Intergovernmental Receivable. This was a result of receivables for the FERP grant (\$177,933), Title I (\$23,000), and IDEA B (\$8,000). Also cash balances increased by \$118,823 due to the FERP Grant.

Table 1 shows the changes in net assets for the year ending 2004. Comparative data for 2004 and 2003 are shown.

Operating Activities

Salaries and Fringe Benefits comprise 51 percent of operating expenses.

The Statement of Revenues, Expenses, and Changes in Net Assets show the cost of operating expenses and the revenues offsetting those services. Table 2 shows the total amount of operating and non-operating expenses and the revenues associated with those expenses for the year. That is, it identifies the amount of operating expenses supported by State and other funding.

**DOHN COMMUNITY HIGH the School
HAMILTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
(Unaudited)
(Continued)**

Table 2
Revenues, Expenses, and Charges in Net Assets
(In Thousands)

	2004	2003	Variance
<i>Operating Revenue</i>			
Foundation Payments	\$ 325.6	\$ 295.9	\$ 29.7
Disadvantaged Pupil Impact Aid	9.7	-	9.7
Classroom Fees	3.0	-	3.0
Special Education	40.9	-	40.9
Other Operating Revenues	13.7	3.9	9.8
<i>Total Operating Revenues</i>	<u>\$ 392.9</u>	<u>\$ 299.8</u>	<u>\$ 93.1</u>
<i>Operating Expenses</i>			
Salaries	\$ 200.2	\$ 295.4	\$ (95.2)
Fringe Benefits	48.8	77.9	(29.1)
Purchased Services	109.7	97.0	12.7
Contracted Services	-	19.5	(19.5)
Equipment	-	7.6	(7.6)
Materials and Supplies	22.5	30.0	(7.5)
Depreciation Expense	43.0	24.4	18.6
Tuition Expense	-	0.2	(0.2)
Other Operating Expense	61.8	18.2	43.6
<i>Total Operating Expenses</i>	<u>\$ 486.0</u>	<u>\$ 570.2</u>	<u>\$ (84.2)</u>
<i>Non-Operating Revenues and (Expenses)</i>			
Operating Grants – State	\$ 5.9	\$ 4.7	\$ 1.2
Operating Grants – Federal	725.7	50.5	675.2
Local Grants	-	53.0	(53.0)
Interest Income	0.1	-	0.1
Donations	87.4	28.0	59.4
Contributed Capital	-	576.2	(576.2)
<i>Total Non-Operating Revenues and (Expenses)</i>	<u>\$ 819.1</u>	<u>\$ 712.4</u>	<u>\$ 106.7</u>

The state foundation community, as a whole, is by far the primary support for the School. Other Operating Revenues increased \$12,780 due to various school fundraisers to increase student involvement, such as dances and bake sales. Federal Grants increased \$675,195 due to the FERP Grant revenue of \$491,401 and the increase in Intergovernmental Receivable for the FERP Grant in the amount of \$177,933. Donations decreased by \$516,840 due to the \$500,000 contributed capital received in 2003. Salaries and Fringe Benefits decreased by a combined \$124,407 due to a reduction in staff.

the School's Funds

the School had total revenues of \$1,211,981 and expenses of \$485,358. The change in net assets for the year was an increase of \$713,050.

**DOHN COMMUNITY HIGH the School
HAMILTON COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
(Unaudited)
(Continued)**

Capital Assets and Debt Administration

Capital Assets

At the end of 2004, the School had \$953,629 (net of \$79,544 in accumulated depreciation) invested in land, buildings, building improvements, furniture, and equipment. Table 3 shows the capital asset balances as of June 30, 2004 and 2003:

Table 3
Capital Assets at June 30
(In Thousands)

	2004	2003	Variance
Land	\$19.0	\$19.0	\$0.0
Building and Improvements	914.0	560.4	353.6
Furniture and Equipment	20.7	22.0	(1.3)
Totals	\$953.7	\$601.4	\$352.3

Acquisitions were greater than depreciation this year by \$353,545. This was due to the School making \$379,122 in Building Improvements through the FERP reconstruction project.

Debt

At June 30, 2004 the School had \$100,000 in a line of credit with Provident Bank, all of which is due within one year. Table 4 summarizes debt outstanding.

Table 4
Outstanding Debt, at Year End
(In Thousands)

	2004	2003
Line of Credit	\$ 100.0	\$ 98.4
Total	\$ 100.0	\$ 98.4

For the Future

In conclusion, the School has committed itself to financial excellence. In addition, the School's financial relationship with the Lucas County Educational Service Center aids in the raising of the quality of financial records and strengthens internal controls. All of the School's financial abilities will be needed to meet the challenges of the future.

Contacting the School's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information contact Dr. Kate Bower, Superintendent of the School, 608 E. McMillan Ave., Cincinnati, Ohio 45206, or e-mail at bower_k@hccanet.org.

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**STATEMENT OF NET ASSETS
AS OF JUNE 30, 2004**

Assets

	<u>2004</u>
Current Assets	
Cash and Cash Equivalents with Fiscal Agent	\$128,990
Investments	19,054
Intergovernmental Receivable	220,950
Prepaid Items	1,387
Total Current Assets	<u>370,381</u>
Non-Current Assets	
Land	19,000
Fixed Assets (Net of Accumulated Depreciation)	934,629
Total Non-Current Assets	<u>953,629</u>
Total Assets	<u>1,324,010</u>

Liabilities

Current Liabilities	
Accounts payable	\$13,522
Accrued Wages and Benefits	12,266
Intergovernmental payable	1,965
Due to Students	170
Line of Credit Payable	100,000
Total Current Liabilities	<u>127,923</u>
Net Assets	
Investment in Capital Assets	953,629
Unrestricted	242,458
Total Net Assets	<u>\$ 1,196,087</u>

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

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>2004</u>
<u>Operating Revenues</u>	
Foundation payments	\$ 325,557
State special education program	40,917
DPIA	9,702
Classroom Fees	2,988
Other	13,696
Total Operating Revenues	<u>392,860</u>
<u>Operating Expenses</u>	
Salaries	200,218
Fringe Benefits	48,765
Purchased Services	109,173
Supplies and materials	22,475
Depreciation	42,976
Other	61,751
Total Operating Expenses	<u>485,358</u>
Operating (Loss)	(92,498)
<u>Non-operating Revenues</u>	
State Grants	5,925
Federal Grants	725,712
Interest	129
Donations	87,355
Total Non-Operating Revenues	<u>819,121</u>
Change in Net Assets	726,623
Net Assets Beginning of year	<u>469,464</u>
Net Assets End of year	<u><u>\$ 1,196,087</u></u>

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

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

<i>Increase (Decrease) in Cash and Cash Equivalents:</i>	<u>2004</u>
<u>Cash Flows from Operating Activities:</u>	
Cash Received from State of Ohio	\$ 364,892
Cash Received from Classroom Materials and Fees	13,866
Cash Received from Other Operating Sources	2,988
Cash Payments to Suppliers for Goods and Services	(132,206)
Cash Payments to Employees for Services	(256,285)
Cash Payments for Employee Benefits	(63,138)
Net Cash Used for Operating Activities	<u>(69,883)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Operating Grants Received - Federal	520,417
Operating Grants Received - State	5,925
Contributions and Donations	55,801
Net Cash Provided by Noncapital Financing Activities	<u>582,143</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Proceeds of Loan	100,000
Principal Payments	(98,400)
Payments for Capital Acquisitions	(395,166)
Net Cash Used for Capital and Related Financing Activities	<u>(393,566)</u>
<u>Cash Flows from Investing Activities:</u>	
Cash Received from Interest on Investments	129
Net Cash Received from Investing Activities	<u>129</u>
Net Increase in Cash and Cash Equivalents	118,823
Cash and Cash Equivalents at Beginning of Year	<u>10,167</u>
Cash and Cash Equivalents at End of Year	<u><u>\$128,990</u></u>
<u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u>	
Operating Loss	<u>(\$92,498)</u>
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u>	
Depreciation	42,976
Changes in Assets and Liabilities:	
Increase in Intergovernmental Receivable	(11,284)
Increase in Prepaid Items	(1,387)
Decrease in Accounts Payable	(8,632)
Increase in Accrued Wages	6,642
Increase in Due to Students	170
Decrease in Intergovernmental Payable	(5,870)
Total Adjustments	<u>22,615</u>
Net Cash Used for Operating Activities	<u><u>(\$69,883)</u></u>

See accompanying notes to the basic financial statements

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**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004**

1. DESCRIPTION OF THE REPORTING ENTITY

Dohn Community High School, Hamilton County, Ohio (the School), is a nonprofit corporation established pursuant to Ohio Revised Code, Chapters 3314 and 1702, to address the needs of students in grades nine through twelve who have been impacted by substance abuse. The School's program includes a curriculum that provides academic credit coupled with substance abuse intervention. The target population of at-risk youth is those who have a problem with alcohol or other drugs, as well as those who have lived with a substance abusing relative or guardian. 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 a contract with the Ohio State Board of Education (the Sponsor) for a period of five years commencing March 14, 2000. 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. Effective July 1, 2004 the sponsor for the School will be Lucas County Educational Service Center.

The School operates under the direction of a nine member Board of Directors (the Board). The Board is responsible for carrying out the provisions of the contract with the Sponsor, which include but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualifications of teachers. The Board has formed several committees to carry out the governance functions of the School. These include a Board Development Committee, Facility Committee, Fundraising Committee, Program Committee, and a Finance/Audit Committee. The School's Founder and Superintendent serve as a non-voting member of the Board.

The Board hires the Superintendent, who hires all other staff, and manages the day-to-day operations of the School. The Board controls the School's one instructional/support facility staffed by 5 non-certified and 4 certificated full time teaching personnel who provide services to 54 students.

The has entered into a service agreement with the Lucas County Educational Service Center, Lucas County, Ohio to provide certain financial and accounting services and the Treasurer of Lucas County ESC serves as the Chief Fiscal Officer of the School, (See Note 12).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to a governmental nonprofit organization. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the School's accounting policies.

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation

Enterprise Accounting

The School's basic financial statements consist of statement of net assets; a statement of revenues, expenses, and changes in net assets; and a statement of cash flows.

The School's uses enterprise accounting to track and report on its financial activities. Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs 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 changes in net assets is appropriate for public policy, management control, accountability or other purposes.

B. Measurement Focus and Basis of Accounting

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statements of net assets. The statement of revenues, expenses, and changes in net assets presents increases (e.g. revenues) and decreases (e.g. expenses) in net total assets. The statement of cash flow reflects how the School finances and meets its cash flow needs.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The School financial statements are prepared 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 the School receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the year when use is first permitted; matching requirements, in which the School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School on reimbursement basis. Expenses are recognized at the time they are incurred.

C. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the community school's contract with its sponsor. The contract 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. The School follows a budget that is adopted and revised as needed.

D. Cash and Investments

All monies received by the School are accounted for by the School's fiscal agent, the Lucas County Educational Service Center. All cash received by the fiscal agent is maintained in separate accounts in the School's name. Monies for the School are maintained in these accounts or temporarily used to purchase short-term investments.

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the purposes of the statement of cash flows and for presentation on the statement of net assets, investments with original maturities of three months or less, at the time they are purchased by the School, are considered to be cash equivalents.

During 2004, investments were limited to donated common stock. Common stock is carried at fair value.

E. Capital Assets and Depreciation

All capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School maintains a capitalization threshold of three hundred dollars. the School does not possess any infrastructure.

Improvements 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.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful live of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Building and Improvements	30
Furniture and Equipment	3

F. Intergovernmental Revenues

The School currently participates in the State Foundation Program, the State Disadvantaged Pupil Impact Aid (DPIA) Program, and the State Special Education Program. Revenues from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements are met.

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

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

Amounts awarded under grants and entitlements for the year ended June 30, 2004 totaled \$1,102,744.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2004, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expense in the year in which services are consumed.

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, consists of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. the School presently has no restricted net assets.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts disclosures. Accordingly, actual results could differ from those estimates.

J. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2004.

3. CHANGES IN ACCOUNTING PRINCIPLES

For 2004, the School has implemented GASB Statement No. 34, "Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments"; GASB No. 37 "Basic Financial Statements for State and Local Governments: Omnibus", and GASB No. 38, "Certain financial Statement Note Disclosures". At June 30, 2004, there was no effect on fund balance as a result of implementing GASB 37 and 38.

GASB 34 creates new basic financial statements for reporting on the School's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting. The beginning net assets amount for the business-type activities equals fund equity of the enterprise funds from last year.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of Management's Discussion and Analysis. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

4. DEPOSITS AND INVESTMENTS

The following information classifies deposits and investments as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

At June 30, 2004, the carrying amount of the School's deposits was \$128,990 and the bank balance was \$140,922. \$100,000 of the bank balance of was covered by Federal Depository Insurance Corporation (FDIC), while the remaining \$40,922 was left uninsured.

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

The School's investments are categorized to give an indication of the level of risk assumed by the School at year-end. Category 1 includes investments insured or registered for which the securities are held by the School or its agent in the School's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School's name. The School's investments, totaling \$19,054 (reported amount and fair value), of donated common stock are maintained in a Gradison McDonald Financial Group Account which is included in Category 2.

5. RECEIVABLES

Receivables at June 30, 2004, consists of intergovernmental receivables arising from grants, entitlement and shared revenues. All receivables are considered collectable in full. A summary of the principal items of receivables follows:

	Amount
<u>Intergovernmental</u>	
FY '04 SB-2 DPIA	\$ 6,215
Foundation Receivable	5,069
Federal Subgrant	209,666
Total Intergovernmental Receivable	\$ 220,950

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004, was as follows:

	Balance 6/30/2003	Additions	Deductions	Balance 6/30/2004
Land	\$ 19,000	\$ -	\$ -	\$ 19,000
Building and Improvements	565,825	379,122	-	944,947
Furniture and Equipment	53,182	16,044	-	69,226
Totals at Historical Cost	638,007	395,166	-	1,033,173
Less: Accumulated Depreciation	(36,568)	(42,976)	-	(79,544)
Capital Assets, Net	\$ 601,439	\$ 352,190	\$ -	\$ 953,629

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(Continued)**

7. LINE OF CREDIT

Description	Balance 12/31/03	Issues	Redemptions	Balance 12/31/04	Due Within One Year
Line of Credit	\$ 98,400	\$ 100,000	\$ 98,400	\$ 100,000	\$ 100,000

8. RISK MANAGEMENT

A. Insurance Coverage

The School 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 year ended 2004, the School contracted with Philadelphia Insurance for property and general liability insurance. There is a \$1,000 deductible with a one hundred percent blanket, all risk policy.

Professional liability is protected by Philadelphia Insurance Company with a \$1,000,000 single occurrence limit and a \$2,000,000 aggregate and no deductible.

B. Workers' Compensation

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

9. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code.

SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9 percent of their annual covered salary and the School is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll; 8.17 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts by the SERS' Retirement Board. The School's required contribution for pension obligations to SERS for the years ended June 30, 2004 and 2003 were \$6,119 and \$8,407; 100 percent has been paid for 2004 including arrears payments and 100 percent has been paid for 2003.

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(Continued)**

9. DEFINED BENEFIT PENSION PLANS (Continued)

B. School Teachers Retirement Systems (STRS)

STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported, in part, by the state or any political subdivision thereof.

Plan Options – Effective July 1, 2001, two new plan options were offered to selected members. New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation. The Combined Plan offers features of the DC Plan and the DB. In the Combined Plan, member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(Continued)**

9. DEFINED BENEFIT PENSION PLANS (Continued)

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio' public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offer by their employer. Employees have 120 days from their employment date to select a retirement plan.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

Benefits are increased annually by 3% of the original base amount.

The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependent. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio Law, health care benefits are not guaranteed.

A Defined Benefit or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC, or Combined Plans. Various other benefits are available to members' beneficiaries.

Plan members were required to contribute 9.3 percent of their annual covered salary through June 30, 2003 and effective July 1, 2003 the member contribution rate increased to 10% and the School is required to contribute 14%; 13% was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. the School's contributions for pension obligations to STRS for the years ended June 30, 2004 and 2003 were \$20,758 and \$20,751, respectively; 88% has been contributed for 2004 and 100% has been contributed for 2003. \$1,820 representing the unpaid contribution for 2004 is recorded as a liability within the respective funds.

STRS Ohio issues a publicly available financial report. Additional information or copies of STRS Ohio's 2003 *Comprehensive Annual Financial Report* may be obtained by writing to the STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, or by visiting the STRS Ohio Web site www.strsoh.org.

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(Continued)**

10. POSTEMPLOYMENT BENEFITS

the School provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS).

State Teachers Retirement System - the School provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio). Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare B premiums. Pursuant to the Revised Code (R. C.), the State Teachers Retirement Board (the Board) has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefits recipients pay a portion of the health care costs in the form of a monthly premium

The R.C. grants authority to STRS Ohio to provide health care coverage to eligible benefit recipients, spouses and dependents. By Ohio law, health care benefits are not guaranteed and the cost of the coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. Through June 30, 2004, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School, this amount equaled \$1,596 for the ended June 30, 2004.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2.8 billion at June 30, 2003 (the latest information available). For the year ended June 30, 2003, net health care costs paid by STRS were \$352,301,000 and STRS had 108,294 eligible benefit recipients.

School Employees Retirement System - coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this period, employer contributions to fund health care benefits were 5.83 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For the year ended 2004, the minimum pay had been established at \$25,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund. For the School, the amount to fund health care benefits, including surcharge, was \$3,657 for the year ended June 30, 2004.

Health Care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2003 were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, the Retirement System's net assets available for payment of health care benefits as \$303.6 million. The number of benefit recipients currently receiving health care benefits is approximately 50,000.

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(Continued)**

11. OTHER EMPLOYEE BENEFITS

Full-time teachers are entitled to six days of sick leave a year. Administrative staffs including the administrative assistant are entitled to ten days of sick leave a year. Full-time employees receive two personal days per calendar year. Part-time employees receive one personal day per calendar year. Unused personal days are forfeited.

The School provides life insurance to all employees through a private carrier. Coverage in the amount of \$10,000 is provided to all full-time certified and non-certified employees.

12. CONTINGENCIES

A. Grants

The School receives significant financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and a condition specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the School. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the School at June 30, 2004.

B. Pending Litigation

A suit was filed in Franklin County Common Pleas Court on May 14, 2001 alleging Ohio's Community (i.e. Charter) Schools program violates the state Constitution and state laws. On April 21, 2003 the court dismissed the counts containing constitutional claims and stayed the other counts pending appeal of the constitutional issues. The plaintiffs appealed to the Court of Appeals, the issues have been briefed, and the case was heard on November 18th, 2003. On August 24, 2004, the Court of Appeals rendered a decision that Community Schools are part of the state public educational system and this matter was sent to the Ohio Supreme Court. The Ohio Supreme Court accepted the appeal from the Court of Appeals for review on February 16, 2005. Oral argument occurred November 29, 2005. The effect of this suit, if any on Dohn Community High School is not presently determinable.

C. School Funding

The Ohio Department of Education conducts reviews enrollment data and full-time equivalency (FTE) calculations made by the School. These reviews are conducted to ensure schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. This review resulted in state funding being adjusted. The review for the fiscal year 2004 was completed in August 2004 with an underpayment of \$5,069.

13. RELATED PARTY TRANSACTIONS

Two Board member conducted business with the school during the period of July 1, 2003 through June 30, 2004. Mr. Ken Furrier, a Board Member of the school, was hired under contract as the EMIS Coordinator, and paid a total of \$3,156 for his services during this period. Mr. Grant Hesser, a Board member of the school, and President of PDSC Corporation, was named as Project Manager by the school. PDSC Corporation was employed as Project Administrator to oversee the renovations of the Federal Emergency Repair Program. The contract for PDSC Corporation was not bid out as prescribed by state law, and PDSC Corporations was paid a total \$15,532 for these services during this period.

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(Continued)**

14. FISCAL AGENT

The School entered into a service agreement with the Treasurer of the Sponsor to serve as the Chief Fiscal Officer of the School. As part of this agreement, the School shall compensate the Sponsor two percent (2%) of the per pupil allotment paid to the School from the State of Ohio. A total contract payment of \$2,936 was paid during the year.

The Treasurer shall perform all of the following functions while serving as the Chief Fiscal Officer of the School:

- Maintain custody of all funds received by the School in segregated accounts separate from the Sponsor or any other community school's funds;
- Maintain all books and accounts of the School;
- Maintain all financial records of all state funds of the School and follow State Auditor procedures for receiving and expending state funds;
- Assist the School in meeting all financial reporting requirements established by the Auditor of Ohio;
- Invest funds of the School in the same manner as the funds of the Sponsor are invested, but the Treasurer shall not commingle the funds with any of the Sponsor or any other community school; and
- Pay obligations incurred by the School within a reasonable amount of time, not more than 14 calendar days after receipt of a properly executed voucher signed by the Chief Administrative Officer of the School so long as the proposed expenditure is within the approved budget and funds are available.

15. FEDERAL EXEMPT STATUS

The School has obtained their 501(c)(3) tax-exempt status. Management is not aware of any course of action or series of events that have occurred that might adversely affect the school's tax-exempt status.

16. SUBSEQUENT EVENTS

During the beginning of fiscal year 2005 the school received an Ohio Facilities Loan in the amount of \$475,000 for the purchase of the school.

Lucas County Educational Service Center, the School's sponsor, voted not to renew their contract with the school which will expire on June 30, 2006. If the School is unable to secure a new authorizing agency, they would not be allowed to continue operating.

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2004
(Continued)**

17. PURCHASED SERVICES

For the period July 1, 2003 through June 30, 2004, purchased service expenses were payments for services rendered by various vendors, as follows:

Professional and Technical Services	\$ 69,090
Property Services	12,335
Travel Mileage/Meeting Expenses	3,341
Communications	9,958
Utilities	13,365
Contracted Craft or Trade Service	<u>1,084</u>
Total Purchased	<u><u>\$ 109,173</u></u>



Auditor of State Betty Montgomery

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

Dohn Community High School
Hamilton County
608 E. McMillan Street
Cincinnati, Ohio 45206

To the Board of Trustees:

We have audited the basic financial statements of Dohn Community High School, Hamilton County, Ohio (the School), as of and for the year ended June 30, 2004, and have issued our report thereon dated December 13, 2005, wherein we noted that the School adopted Governmental Accounting Standards Board Statement 34. 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 School's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School's ability to record, process, summarize and report financial data consistent with management's assertions in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2004-001 through 2004-002.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable conditions described above are material weaknesses. In a separate letter to the School's management letter dated December 13, 2005 we reported other matters involving the internal control over financial reporting which we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring the School'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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2004-001. In a separate letter to the School's management dated December 13, 2005 we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 13, 2005

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2004-001

Noncompliance/Reportable Condition

The School did not comply with the Financial Plan, Exhibit 2, School Budget and Financial Records/Accounting Procedures, of the contract with the Ohio Department of Education. The contract sets forth the following requirements:

- All purchase orders are to be signed by both the Superintendent and the Business Manager.
- Internal records will be maintained using a cost beneficial set of internal control guidelines that will provide for appropriate levels of segregation of duties and accountability.

The School Treasurer is performing the duties designated for a Business Manager since the School does not have a Business Manager. During testing of purchase orders we determined that six percent were not signed by both the Superintendent and the Treasurer, fifteen percent were not signed by Superintendent, and twenty-three percent were not signed by the Treasurer. Invoices were not initialed by the receiver before payment of the invoice to indicate the goods or services were received.

Failure to approve purchase orders and establish a set of internal control guidelines in accordance with the contract with the Ohio Department of Education could result in errors or misstatements in the financial records, the unauthorized purchase of goods or services, or the misappropriation of School assets. To improve accountability over disbursements, the School should include in their policies and procedures for purchasing the following:

- Prior authorization of a purchase, through the use of a purchase order which documents approval by the appropriate members of management and includes appropriate coding of expenditures.
- Detailed review of the invoice and supporting documentation indicating descriptions of the goods/services received and documentation on the invoice that the goods/services were received.

FINDING NUMBER 2004-002

Reportable Condition

During the period of July 1, 2003 through June 30, 2004, the school received Federal Emergency Repair Program (FERP) funds for the renovation of the school building. The Board approved a resolution on May 20, 2003 to hire Mr. Grant Hesser as the Project Manager for the FERP project. Subsequent to being hired as the Project Manager, Mr. Hesser became a Board member and signed a conflict of interest policy stating that he agreed to comply with the conflict of interest policy, and had disclosed all matters required to be disclosed pursuant to the conflict of interest policy.

The school's conflict of interest policy, which was signed by Mr. Hesser on December 22, 2003, contains the following language:

**FINDING NUMBER 2004-002
(Continued)**

"I hereby submit that none of (i) myself; (ii) any immediate family member; (iii) any entity which employs me or any member of my immediate family or with which I or any member of my immediate family has a compensation arrangement; or (iv) any entity in which I own a 5% or greater interest, participate in any arrangement described in (a) through (c) below, other than as fully described in the space provided.

- a. Any transaction agreement or arrangement with Dohn Community High School, pursuant to which Dohn Community High School purchases goods and services;
- b. Any proposed or anticipated transaction agreement or arrangement with Dohn Community High School pursuant to which Dohn Community High School participants proposes to purchase goods or services;
- c. Any other transaction, agreement or arrangement pursuant to which Dohn Community High School pays compensation."

Mr. Hesser is the President of PDSC Corporation. PDSC Corporation was employed as Project Administrator to oversee the renovations, and was paid a total \$15,532 during the audit period. Mr. Hesser did not disclose the Project Manager arrangement or his relationship to PDSC Corporation on the conflict of interest policy that he signed with the Board.

The School should put in place procedures to monitor and guard against transactions that are not in compliance with the School's conflict of interest policy.

**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2003-001	ORC 149.353 – Record Retention due to the removal or destruction of source documentation	Yes	
2003-002	Reportable Condition – Payroll Expenditures not being monitored	No	Partially Corrected - Reissued as Management Letter Recommendation
2003-003	ORC 3314.03(A)(10) – Teachers Certification	Yes	
2003-004	Reportable Condition – Non-Payroll Disbursements and lack of support and proper purchasing procedures	No	Not Corrected - Reissued as Finding 2004-001
2003-005	Material Weakness – SAS 70 Paychex and the lack of payroll monitoring over a Tier I service organization	No	Not Corrected - Reissued as Management Letter Recommendation



**Auditor of State
Betty Montgomery**

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800-282-0370

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**DOHN COMMUNITY HIGH SCHOOL
HAMILTON COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 17, 2006**