



Mary Taylor, CPA
Auditor of State

**W.E.B. DUBOIS ACADEMY
HAMILTON COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

W.E.B. Dubois Academy
Hamilton County
1812 Central Parkway
Cincinnati, Ohio 45214

To the Board of Trustees:

We have audited the accompanying basic financial statements of W.E.B. Dubois Academy, Hamilton County, Ohio (the Academy), as of and for the year ended June 30, 2005, as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 W.E.B. Dubois Academy as of June 30, 2005, 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.

The Academy has a negative net asset balance of \$9,511 and a net loss of \$3,433 as of June 30, 2005.

The Auditor of State has billed W.E.B. Dubois Academy for audit services provided for the school year ending June 30, 2005. As of the date of this report, the Academy has unpaid audit fees totaling \$56,793 of which \$15,713 has been outstanding for more than 120 days.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2009, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Government Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Mary Taylor, CPA
Auditor of State

February 4, 2009

W.E.B. Dubois Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005

Our discussion and analysis of the W.E.B. Dubois Academy's (School's) financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

Assets totaled \$705,192 a 10.9% decrease from fiscal year 2004. Liabilities were \$714,703 a 10.7% decrease from fiscal year 2004.

In total, net assets decreased \$3,433 which represents a 56.4% decrease from 2004. This decrease was due to additional operating expenses associated with increased enrollment.

Using this Financial Report

This report consists of three parts, the MD&A, the basic financial statements, and notes to those statements. The basic financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows.

One of the most important questions asked about the School's finances is, "Is the School better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets report information about the School as a whole and about its activities in a manner that helps to answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

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

W.E.B. Dubois Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005

Table 1 provides a summary of the Academy's net assets for fiscal year 2005 and 2004:

(Table 1)		
Net Assets		
	<u>2005</u>	<u>2004</u>
<u>Assets:</u>		
Current Assets	\$ 313,636	\$ 335,856
Capital Assets, Net	<u>391,556</u>	<u>455,961</u>
Total Assets	705,192	791,817
 <u>Liabilities:</u>		
Current Liabilities	151,941	239,804
Long Term Liabilities	<u>562,762</u>	<u>560,591</u>
Total Liabilities	714,703	800,395
 <u>Net Assets:</u>		
Invested in Capital		
Assets, net of debt	60,900	165,961
Unrestricted	<u>(70,411)</u>	<u>(172,039)</u>
Total Net Assets	<u>\$ (9,511)</u>	<u>\$ (6,078)</u>

A significant portion of the School's total assets (55.5%) reflects its investment in capital assets less any depreciation. The School uses capital assets to provide services; consequently, these assets are not available for future spending. Although the School's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Assets of the School have decreased \$3,433 and unrestricted net assets reflect a deficit balance of \$9,511. The decrease in net assets is primarily the result of increased operating expenses due to student enrollment.

W.E.B. Dubois Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005

Table 2 provides a summary of the Academy's changes in net assets for fiscal year 2005 and 2004:

(Table 2)
Changes in Net Assets

	<u>2005</u>	<u>2004</u>
Operating Revenues:		
Foundation payments	2,856,282	2,361,429
Other Operating Revenues	148,881	140,944
Non-Operating Revenues:		
State subsidies	10,727	(6,318)
Federal subsidies	<u>514,864</u>	<u>334,836</u>
Total Revenues	<u>3,530,754</u>	<u>2,830,891</u>
Operating Expenses:		
Salaries & Wages	1,616,950	1,294,516
Fringe Benefits	473,708	420,986
Purchased Services	333,248	440,861
Materials & Supplies	516,792	486,050
Depreciation	188,403	172,961
Miscellaneous	376,833	217,033
Non-Operating Expenses:		
Interest expense	<u>28,253</u>	<u>17,294</u>
Total Expenses	<u>3,534,187</u>	<u>3,049,701</u>
Change in Net Assets	<u>(\$ 3,433)</u>	<u>(\$218,810)</u>

The School's revenue increased in all areas. The growth is primarily due to increased enrollment over the prior school year. Similarly, the expenses for salaries and fringes increased as a result of having more staff members to serve the increased number of students.

Capital Assets

The School has \$391,556 invested in capital assets net of depreciation. The most significant addition to the School's capital assets for the 2005 fiscal year was a school bus valued at \$78,357 on the books. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 5).

W.E.B. Dubois Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005

Debt

At June 30, 2005, the School had a balance of \$562,762 on a long-term line of credit payable an increase of \$2,171 over the prior year. Note 10 to the basic financial statements summarizes the School's long-term liabilities.

Current Financial Issues

The future financial stability of the School is not without challenges. The major challenge is the state economy. The School does not receive any funds from taxes. The primary source of funding is the state foundation program. An economic slowdown in the state could result in budgetary cuts to education, which would have a negative impact on the School.

Contacting the Academy

This financial report is designed to provide our citizens with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have questions regarding this report or need additional information contact Doug Mangen, Treasurer at 1812 Central Parkway, Cincinnati, Ohio 45214.

**W.E.B. Dubois Academy
Hamilton County
Statement of Net Assets
as of June 30, 2005**

Assets

Current Assets

Cash and Investments	\$233,198
Intergovernmental receivable	<u>80,438</u>
Total Current Assets	<u>313,636</u>

Non-Current Assets

Capital assets (Net of Accumulated Depreciation)	<u>391,556</u>
Total Assets	<u><u>\$705,192</u></u>

Liabilities

Current Liabilities

Accounts Payable	\$74,796
Accrued Wages & Benefits	14,742
Intergovernmental Payable	<u>62,403</u>
Total Current Liabilities	<u>151,941</u>

Long-Term Liabilities

Due within one year	95,092
Due in more than one year	<u>467,670</u>
Total Long-Term Liabilities	<u>562,762</u>

Total Liabilities	<u>714,703</u>
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Net Assets

Invested in Capital Assets, Net of related Debt	60,900
Unrestricted	<u>(70,411)</u>
Total Net Assets	<u><u>(\$9,511)</u></u>

The accompanying Notes are an integral part of the Financial Statements

**W.E.B. Dubois Academy
Hamilton County
Statement of Revenues, Expenses,
and Changes in Fund Net Assets
for the Fiscal Year ended June 30, 2005**

Operating Revenues	
Foundation Payments	\$2,856,282
Other Operating Revenues	148,881
Total Operating Revenues	<u>3,005,163</u>
 Operating Expenses	
Salaries & Wages	1,616,950
Fringe Benefits	473,708
Purchased Services	333,248
Materials & Supplies	516,792
Depreciation	188,403
Miscellaneous	376,833
Total Operating Expenses	<u>3,505,934</u>
 Operating Income	 (500,771)
 Non-Operating Revenues and (Expenses)	
State subsidies	10,727
Federal subsidies	514,864
Interest Expense	(28,253)
Total Non-Operating Revenues and (Expenses)	<u>497,338</u>
 Net Income	 (3,433)
 Net Assets Beginning of Year	 (6,078)
Net Assets End of Year	<u><u>\$ (9,511)</u></u>

The accompanying Notes are an integral part of the Financial Statements

**W.E.B. Dubois Academy
Hamilton County
Statement of Cash Flows
for the Fiscal Year ended June 30, 2005**

Cash Flows from Operating Activities	
Cash received from Foundation Payments	\$2,711,380
Cash received from Other Operating Revenues	148,881
Cash payments for personal services	(2,077,440)
Cash payments for contract services	(295,248)
Cash payments for supplies and materials	(513,796)
Cash payments for Miscellaneous	(374,008)
Net Cash Used for Operating Activities	<u>(400,231)</u>
Cash Flows from Noncapital Financing Activities	
Cash from Federal & State Subsidies	459,623
Cash received from Note proceeds	78,357
Principal payments	(76,186)
Net Cash from Noncapital Financing Activities	<u>461,794</u>
Cash Flows from Capital and Related Financing Activities	
Payments for Capital Acquisitions	(123,998)
Payments for Interest on Capital Acquisitions	(28,253)
Net Cash Used for Capital and Related Financing Activities	<u>(152,251)</u>
Net decrease in cash and cash equivalents :	(90,688)
Cash and cash equivalents at beginning of year	323,886
Cash and cash equivalents at end of year	<u><u>\$233,198</u></u>
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities	
Operating Loss	(\$500,771)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities	
Depreciation	188,403
Changes in Assets and Liabilities:	
Accounts Payable	43,832
Accrued Wages and Benefits	4,678
Intergovernmental Payable	(136,373)
Total Adjustments	<u>100,540</u>
Net cash used by operating activities	<u><u>(\$400,231)</u></u>

The accompanying Notes are an integral part of the Financial Statements

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**W.E.B. Dubois Academy
Hamilton County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2005**

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

W.E.B. Dubois Academy, Hamilton County, Ohio (the Academy), is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to provide an appropriate education facility and program for all age groups and to provide instruction in courses which meet general educational requirements compatible with and approved by the State of Ohio. The Academy, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admissions policies, employment practices, and all other operations. The Academy may sue and be sued, acquire facilities as needed, and contract for any necessary services necessary for the operation of the academy.

The Academy was approved for operation under contract with the Ohio Department of Education (the Sponsor) for a period of five years commencing July 1, 2000. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The charter agreement with the sponsor required the Academy to develop a nonprofit corporation. Equal Playing Field Corporation was incorporated under Chapter 1702 of the Ohio Revised Code on August 23, 1999, as the not for profit corporate board of W.E.B. DuBois Academy (See Note 14 regarding the Academy's Federal tax status). Equal Playing Field meets once a year to reappoint the Board of Trustees of the Academy and to give them authority to make all decisions for the Academy. During fiscal year 2005, the Academy entered into contracts, signed agreements, issued debt, and conducted business under the name of Equal Playing Field. Two of the board members for Equal Playing Field are also board members of the Academy.

The fiscal operations of the Academy are under the direction of a seven member Board of Trustees. The Board is responsible for formulating policies regarding fiscal operations and monitoring the expense of funds. The Academy's Treasurer also serves as the Chief Financial Officer and is responsible for directing the financial affairs of the Academy including accounting, purchasing, insurance, payroll and for reporting the progress of the Academy against those responsibilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

**W.E.B. Dubois Academy
Hamilton County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2005
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Statement of Net Assets. The Statement of Changes in Net Assets present increases and decreases in net total assets. The Statement of Cash Flows provides information about how the Academy finances and meets the cash flow needs of its enterprise activities.

Basis of accounting determines when transactions are recognized in the accounts and reported in the financial statements. The Academy's financial statements are prepared using the accrual basis of accounting.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the Academy receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a 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 the budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the Academy's contract with its Sponsor. The contract between the Academy and its Sponsor does not prescribe a budgetary process for the Academy.

D. Cash and Deposits

All monies received by the Academy are accounted for by the Academy's Treasurer. For cash management, all cash received by the Treasurer is deposited within three different bank accounts.

The Academy had no investments during the fiscal year.

E. Capital Assets and Depreciation

Capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their fair values as of the dates received. The Academy maintains a capitalization threshold of five hundred dollars. The Academy does not possess any infrastructure. Improvements are capitalized, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Depreciation of furniture and equipment is computed using the straight line method over an estimated useful live of five years. Leasehold improvements to capital assets are depreciated over the remaining useful live of the related capital assets.

**W.E.B. Dubois Academy
Hamilton County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2005
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Intergovernmental Revenues

The Academy currently participates in the State Foundation Program, the State Disadvantaged Pupil Impact Aid (DPIA) Program, and the State Special Education Program, in fiscal year 2005 the Academy received \$2,539,125, \$252,690 and \$64,467 respectively from these programs. Revenues received 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 have been met.

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

G. Net Assets

Net assets represent the difference between assets and liabilities. Assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

H. Operating Revenues and Expenses

Operating revenues are those revenues generated directly from the primary activities. For the Academy, these revenues are primarily foundation payments. Operating expenses are the necessary costs incurred to provide the goods or services that occur in carrying out the primary activity of the Academy. Revenues and expenses not meeting this definition are reported as non-operating.

I. Estimates

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

3. DEPOSITS

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of School cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end, the carrying amount of the District's deposits was \$ 233,198 and the bank balance was \$ 369,462. Of the bank balance, \$ 100,000 was covered by federal depository insurance and \$ 269,462 was uninsured but was collateralized.

**W.E.B. Dubois Academy
Hamilton County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2005
(Continued)**

4. RECEIVABLES

Receivables at June 30, 2005, consisted of intergovernmental receivables (federal grants) of \$80,438. All intergovernmental receivables are considered collectible in full, due to the stable condition of State programs, and the current year guarantee of federal funds.

5. CAPITAL ASSETS

A summary of the Academy's capital assets at June 30, 2005, follows:

	Balance 6/30/04	Additions	Deletions	Balance 6/30/05
Capital Assets being depreciated				
Leasehold Improvements	\$ 827,438	\$ 3,694		\$ 831,132
Furniture and Equipment	73,234	38,947		112,181
Vehicles	<u>14,785</u>	<u>81,357</u>		<u>96,142</u>
Total Capital Assets, Being Depreciated	915,457	123,998		1,039,455
Less: Accumulated Depreciation				
Leasehold Improvements	422,768	166,062		588,830
Furniture and Equipment	32,539	17,928		50,467
Vehicles	<u>4,189</u>	<u>4,413</u>		<u>8,602</u>
Total Accumulated Depreciation	459,496	188,403		647,899
Capital Assets, Net	\$ <u>455,961</u>	<u>(64,405)</u>		\$ <u>391,556</u>

6. RISK MANAGEMENT

A. Property and Liability

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2005, the Academy contracted with Monroe Guaranty Insurance Company for property insurance. There is a \$500 deductible with a \$100,000 limit. General liability coverage has a \$1,000,000 single occurrence limit and \$2,000,000 aggregate and no deductible.

Employee dishonesty is protected by Monroe Guaranty Insurance Company with a \$50,000 blanket bond.

B. Worker's Compensation

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

**W.E.B. Dubois Academy
Hamilton County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2005
(Continued)**

7. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The Academy contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple employer defined benefit pension plan. 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 Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to School Employees Retirement System, 300 East Broad Street, Suite 100 Columbus, Ohio 43215-3476 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute at an actuarially determined rate. The current Academy rate is 14 percent of annual covered payroll. A portion of the Academy's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employees are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The Academy's required contribution for pension obligations to SERS for the years ending June 30, 2005, 2004 and 2003 were \$59,355, \$80,485 and \$29,029 respectively, equal to the required contributions for each year.

B. State Teachers Retirement System

The Academy participates in the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that may be obtained by writing to State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and the employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time, irrevocable decision to transfer their account balances from the existing DB Plan into the DC or Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**W.E.B. Dubois Academy
Hamilton County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2005
(Continued)**

7. DEFINED BENEFIT PENSION PLANS (Continued)

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salary. The Academy was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers.

The Academy's required contribution for pension obligations to STRS for the years ending June 30, 2005, 2004 and 2003 were \$138,516 \$94,464 and \$77,232 respectively, equal to the required contributions for each year.

8. POSTEMPLOYMENT BENEFITS

The Academy provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate. The board currently allocates employer contributions equal to 1% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the Academy, this amount equaled \$10,787 during fiscal year 2005. For the year ended June 30, 2005, net health care costs paid by STRS were \$254,780,000 and eligible benefit recipients totaled 115,395.

For SERS, coverage is made available to service retirees with ten or more fiscal 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. The Board currently allocates employer contributions equal to 3.43% of covered payroll to fund health care benefits. For the Academy, this amount equaled \$14,653 during fiscal year 2005. 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 fiscal year 2005, the minimum pay has been established at \$27,400. For the year ended June 30, 2005, net health care costs paid by SERS were \$178,221,113, and eligible benefit recipients totaled 58,123.

9. OTHER EMPLOYEE BENEFITS

Insurance Benefits

The Academy has contracted with a private carrier to provide employee health insurance. The Academy paid 100% of the monthly premium for fiscal year 2005, the total monthly premium was \$780 for family coverage and \$260 for single coverage.

The Academy provides life insurance to all employees through a private carrier. Coverage in the amount of \$15,000 is provided to all employees.

**W.E.B. Dubois Academy
Hamilton County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2005
(Continued)**

10. NON-CURRENT LIABILITIES

LINES OF CREDIT

The Academy held the following debt during the fiscal year:

PNC Bank Line of Credit with a limit of \$200,000 dated June 23, 2000 and expiring on June 1, 2001. Four extensions have been received since the original maturity date for October 3, 2002, March 31, 2003, March 31, 2004 and September 30, 2004. The interest rate on the line of credit is variable at the prime rate and payable monthly. The line of credit was refinanced into a \$282,609 loan with a five year fixed rate of 6% with payments commencing October 22, 2004 payable monthly through September 22, 2009.

PNC Bank Line of Credit with a limit of \$200,000 dated April 3, 2001 and expiring on October 3, 2002. Four extensions have been received since the original maturity date for October 3, 2002, March 31, 2003, March 31, 2004 and September 30, 2004. The interest rate on the line of credit is variable at the prime rate and payable monthly. The line of credit was refinanced into a \$282,609 loan with a five year fixed rate of 6% with payments commencing October 22, 2004 payable monthly through September 22, 2009.

PNC Bank Line of Credit with a limit of \$290,000 dated August 18, 2003 and expiring on September 1, 2008. The interest rate on the line of credit is variable at the prime rate and payable in monthly installments of \$2,417 plus accrued interest. The balance at June 30, 2005 is \$239,243.

PNC Bus Loan in the amount of \$78,357 dated May 23, 2005 and expiring June 1, 2010. The interest rate on the bus loan is fixed at 6.85% and payable in monthly installments of \$1,553 including accrued interest. The first payment is due July 1, 2005.

	Interest	Issue	Maturity	7/1/04			6/30/05	Due within	Due more
Issue	Rate	Date	Date	Balance	Additions	Deductions	Balance	1 Year	than 1 year
PNC Line of Credit	0.0425	6/23/00	9/22/09	\$187,878		\$187,878	0		
PNC Line of Credit	0.0425	4/3/01	9/22/09	104,466		104,466	0		
PNC Loan	0.0600	9/22/04	9/22/09	0	\$282,609	37,447	\$245,162	\$52,409	\$192,753
PNC Loan	0.04	8/18/03	9/1/08	268,247	0	29,004	239,243	29,004	210,239
PNC Bus Loan	0.0685	5/23/05	6/1/10	0	<u>78,357</u>		<u>78,357</u>	<u>13,679</u>	<u>64,678</u>
				<u>\$560,591</u>	\$360,966	\$351,795	<u>\$562,762</u>	\$95,092	\$467,670

11. OPERATING LEASE

The Academy has a five year lease with Camp Washington Community Board, Inc. for 11,000 square feet of building space to be used for educational and administrative purposes. In fiscal year 2005, the Academy paid \$60,000 for their lease. There was an additional charge of \$16,033 for utilities. The Academy has an option to renew the lease for an additional year at \$60,000 per year. This option is contingent on their sponsors yearly renewal of their charter agreement. The Academy renewed the lease for fiscal year 2006.

**W.E.B. Dubois Academy
Hamilton County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2005
(Continued)**

12. CONTINGENCIES

Grants

The Academy received 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 conditions 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 general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall position of the Academy at June 30, 2005.

13. PURCHASED SERVICES

For the year ended June 30, 2005, purchased service expenses were payments for services rendered by various vendors as follows:

Professional and Technical Services	\$ 127,293
Property Services	248,780
Communications	29,271
Utilities	64,124
Pupil Transportation	29,211
Miscellaneous	8,610
Total Purchased Services	\$ 507,289

14. TAX EXEMPT STATUS

The Academy has obtained its § 501(c)(3) tax exempt status under the name of Equal Playing Field. Management is not aware of any course of action or series of events that might adversely affect the Academy's tax exempt status.

15. SUBSEQUENT EVENTS

Sponsor

The Academy entered into a new sponsor agreement for the period July 1, 2005 through June 30, 2010 with The Fordham Foundation. The sponsor agreement sets forth the responsibilities of the governing authority of the school to develop policies and procedures consistent with the new agreement for compliance with the educational plan, financial plan, accountability plan and governance and administration of the school.

Related Party

The Academy provided startup payments to fund four new affiliated charter schools. The schools are Veritas Gifted Academy, Cincinnati Speech and Reading Intervention Center, Leadership Center and Salubrious Life. Each school received \$15,000 in funding.

Fiscal Distress

The Academy had a change in net assets of (\$3,433) and net assets of (\$9,511) at fiscal year end 2005. As of June 30, 2005, the Academy had a cash fund balance of \$233,198.

**W.E.B. Dubois Academy
Hamilton County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2005
(Continued)**

15. SUBSEQUENT EVENTS (Continued)

The Administration and Board of Directors for W.E.B. Dubois Academy continually identifies / develops and implements programs and activities that generate additional revenue. That increased revenue helps us to remain financially viable during times when

State funding is insufficient to cover operational costs. However, in the event that the Academy experiences financial difficulties and does not have the necessary level of reserve funds, the following measures will be implemented to decrease obligations and align them with the cash flow received:

- Review of operations to identify expenditures to be temporarily or permanently eliminated.
- Implement a set of fiscal policies and procedures designed to improve the fiscal discipline of the Academy.
- Enhance the amount and utilization of federal funding sources.
- Develop solid relationships with PNC Bank and the Hubert Foundation to facilitate the financial support of the long range financial recovery.

16. NONCOMPLIANCE

Contrary to Ohio law, the Academy did not deposit money on the business day following the day of receipt, or have in place a policy that would allow them to deposit funds less than \$1,000 within three business days of receiving it.

Contrary to Ohio law, the Academy did not retain all required public records.

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Mary Taylor, CPA

Auditor of State

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

W.E.B. Dubois Academy
Hamilton County
1812 Central Parkway
Cincinnati, Ohio 45214

To the Board of Trustees:

We have audited the basic financial statements of W.E.B. Dubois Academy, Hamilton County, Ohio, (the Academy) as of and for the year ended June 30, 2005, and have issued our report thereon dated February 4, 2009, wherein we noted that the Academy had a negative net asset balance of (\$9,511) as of June 30, 2005; and that the Academy had unpaid audit fees in the amount of \$56,793 as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Academy's internal control over financial reporting to determine our auditing procedures to express our opinions 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 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 Academy'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 2005-014 through 2005-021

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. We consider reportable condition 2005-014 listed above to be a material weakness.

In a separate letter to the Academy's management dated February 4, 2009, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Academy's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2005-001 through 2005-013, 2005-015 and 2005-016.

In a separate letter to the Academy's management dated February 4, 2009, we reported other matters related to noncompliance we deemed immaterial.

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

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

Mary Taylor, CPA
Auditor of State

February 4, 2009

**W.E.B. DUBOIS ACADEMY
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005**

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

FINDING NUMBER 2005-001

Finding for Recovery

On June 30, 2005, Wilson H. Willard III, former Superintendent, received a "vacation or compensatory" leave pay-out of \$6,192. According to his contract, he is entitled to receive 14 days of paid leave, and may be compensated for any unused leave at the end of the school year. Leave payout is determined by multiplying his daily rate of pay (\$384.62) by any unused days. The maximum payout Mr. Willard could receive for 14 days of unused leave is \$5,384.68. Mr. Willard was overpaid by \$807.32, according to his contract.

$\$6,192 - \$5384.68 (384.62 \times 14) = \807.32

On June 30, 2005, Shirley Mason, former Business Manager, received an unused leave pay-out of \$1,303. According to her contract, she is not entitled to receive payment for any unused leave. According to her contract, Ms. Mason was overpaid by \$1,303.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code, Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Wilson H. Willard III, former Superintendent, in the amount of \$808 and in favor of W.E.B. Dubois Academy, and against Shirley Mason, former Business Manager, in the amount of \$1,303 and in favor of W.E.B. Dubois Academy.

FINDING NUMBER 2005-002

Finding for Recovery

On November 30, 2004 Wilson H. Willard III received a \$15,000 pay increase in addition to his contract. The reason provided by the former Business Manager for the increase was a retroactive pay increase effective July 1, 2004. However, Mr. Willard's employment contract with the Academy does not provide for such a pay increase. Additionally, no indication of Board of Trustee approval for the increase was documented in the minutes. As a result, Mr. Willard received a \$15,000 pay increase that the Board of Trustees did not approve.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code, Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Wilson H. Willard III, former Superintendent, in the amount of \$15,000 and in favor of W.E.B. Dubois Academy.

FINDING NUMBER 2005-003

Finding for Recovery

July and August Foundation Payments

The Academy submitted a monthly report documenting the total hours of services rendered to its students for payment to the Ohio Department of Education (ODE). The Academy operated year-round providing nine hours of education each day. We obtained from ODE the hours of services provided to students by the Academy and paid by ODE for the 2004-2005 (FY 2005) and the 2005-2006 (FY 2006) school years.

For the months of July and August 2004 and July and August 2005, we compared students reported by the Academy who ODE funded to Academy enrollment rosters, food service rosters, and weekly grade reports and determined whether the students were enrolled and attended the Academy. For FY 2005, 102 students and for FY 2006, 33 students did not attend, purchase lunches, or receive grade reports from the Academy. As such, the Academy was not entitled to funding received from ODE for these 135 students.

**FINDING NUMBER 2005-003
 (Continued)**

For these 135 students, we obtained the Community School Average Daily Membership (CSADM) database from ODE and identified the full-time equivalent (FTE) units funded by ODE for these students. We calculated the hours ODE funded by multiplying the identified FTE by the required 920 educational opportunity hours. Using this calculation, the Academy should not have received funding for 32,940 educational opportunity hours in FY 2005, and 10,114 educational opportunity hours in FY 2006.

For FY 2005, ODE provided a base amount of \$5,169 plus a cost of doing business factor for a weighted foundation amount of \$5,556.68 for each student in attendance at the Academy. We divided the adjusted foundation amount by the maximum 920 hours of learning opportunities eligible for funding. Using the calculated hourly funding amount, we multiplied the unallowable 32,940 hours by the hourly FTE rate to calculate ODE's overpayment to the Academy of \$198,953 for services not rendered.

For FY 2006, ODE provided a base amount of \$5,283 plus a cost of doing business factor for a weighted foundation amount of \$5,538.40 for each student in attendance at the Academy. We divided the adjusted foundation amount by the maximum 920 hours of learning opportunities eligible for funding. Using the calculated hourly funding amount, we multiplied the unallowable 10,114 hours by the hourly FTE rate to calculate ODE's overpayment to the Academy of \$60,886 for services not rendered.

Additionally, Wilson H. Willard III subsequently pleaded guilty and was convicted of, in part, one count of tampering with records related to this finding for recovery. In accordance with the forgoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against W.E.B. Dubois Academy and Wilson H. Willard III, former Superintendent, jointly and severally, for public money illegally expended in the amount of \$259,839 and in favor of the Ohio Department of Education on behalf of the students' resident school districts.

Of the 135 students indicated above the Academy improperly received base foundation funding totaling \$259,839. Due to the complex nature of calculating the special education foundation payment amount, we will refer the calculation of the special education overpayment amount to ODE for calculation.

FINDING NUMBER 2005-004

Finding for Recovery

Comparison of Services Rendered to Services Billed

For the period July 1, 2004 through June 30, 2005, the Academy provided instruction to the students nine hours per day, year-round. We calculated each child's total available service hours by identifying the number of school days during the year the child could attend (taking into consideration their enrollment and withdrawal dates) and multiplied the number of days identified by nine hours. Total eligible hours were then compared to the hours recorded as paid by ODE to the Academy. The following table reflects, by School Year and County, the total hours overpaid and related payment:

School Year	County	Total Hours Overpaid	Amount of Overpayment
2005	Hamilton	8,920	\$53,874
2005	Butler	119	712
		<u>9,039</u>	<u>\$54,586</u>

In accordance with the forgoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against W.E.B. Dubois Academy and Wilson H. Willard III, former Superintendent, jointly and severally, in the amount of \$54,586 and in favor of the Ohio Department of Education on behalf of the students' resident school districts.

FINDING NUMBER 2005-005

Finding for Recovery

Bathroom Renovation

James Pemberton, owner of Top Notch Construction, performed periodic maintenance for the Academy during the period July 1, 2004 through June 30, 2005. Upon completion of the work performed, an invoice was provided to the Academy identifying the work performed and the associated cost. Upon receipt of the invoice, the Academy issued payment to Mr. Pemberton.

On August 6, 2004, Mr. Pemberton's accountant provided an invoice to the Academy at Wilson H. Willard III's request documenting a \$28,000 contract for bathroom renovation. On February 4, 2005, the Academy issued an additional payment to Top Notch Construction with no supporting invoice and a notation stating this was the balance of the \$28,000 contract. During the period August 6, 2004 through February 4, 2005, the Academy paid Top Notch Construction \$28,000 identified as part of the contract and an additional \$1,746 with no supporting invoice. \$23,746 of these payments were signed by Wilson H. Willard III, \$29,746 by Shirley Mason, former Business Manager, and \$6,000 by Amy Adams, former Mission Director.

During interviews, Mr. Pemberton provided another invoice dated August 5, 2004 stating the bathroom renovation work was to be performed at two properties owned by Wilson H. Willard III. Mr. Pemberton stated that the August 6, 2004 invoice was revised by his accountant to change the address from Mr. Willard's properties to the Academy.

Mr. Pemberton provided receipts supporting the purchases of items installed during the renovation. We were able to verify the items purchased were installed at Mr. Willard's properties and were not installed at the Academy. In addition, we were unable to verify that Mr. Willard remitted payment from his personal accounts for the work performed at his properties.

Additionally, Wilson H. Willard III subsequently pleaded guilty and was convicted of, in part, one count of theft related to this finding for recovery.

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

In accordance with the forgoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Wilson H. Willard III, former Superintendent, James Pemberton, and Shirley Mason, former Business Manager, jointly and severally, in the amount of \$29,746, and jointly and severally against Amy Adams, former Mission Director, in the amount of \$6,000, and in favor of W.E.B. Dubois Academy.

FINDING NUMBER 2005-006

Finding for Recovery

Expenditures of Academy Funds

On May 12, 2005, four \$15,000 checks were issued by the Academy to Veritas Gifted Academy, Cincinnati Speech and Reading Intervention Center (CSRIC), Leadership Center, and Salubrious Life Center. Wilson H. Willard III, former Superintendent, opened bank accounts for these entities and deposited the payments for the startup schools into the accounts maintained at PNC to begin work establishing these entities as new community schools.

In July 2005, CSRIC and Veritas Gifted Academy were selected in the Community School Lottery to begin operations in 2006. Upon completion of the lottery, the two schools not selected returned the unexpended portion of the \$15,000 payment. However, CSRIC and Veritas Gifted Academy have not returned the \$9,250 (\$15,000-\$5,750 described below) unexpended portion of the checks provided by the Academy.

We also identified the following expenditures from the \$15,000 check deposited into each new school's bank account, which were unrelated to Academy operations:

- Wilson H. Willard III received a \$5,000 check from each school totaling \$20,000, prior to each school's existence and operation.
- Shirley Mason, former Business Manager, received a \$750 check from each school totaling \$3,000, prior to each school's existence and operation.
- The Boys and Girls Club received a \$4,500 check from the Leadership Center for memberships. However, this school was not in operation and the memberships were in the names of students from W.E.B. DuBois Academy and Cincinnati Speech and Reading Intervention Center (CSRIC).

In March and April 2006, we interviewed the Board members regarding these payments to the startup schools and the related expenditures. The Board indicated it was not aware of the payments to the four startup schools and did not authorize such payments.

On December 31, 2005, the Academy issued a \$25,400 check to Youth Empowerment¹ with no supporting documentation. On the same date, Youth Empowerment issued two checks to the Academy totaling \$13,900, a check to Veritas Gifted Academy for \$5,750 and a check to CSRIC for \$5,750, all of which were signed by Youth Empowerment CEO, Wilson H. Willard III. Through her attorney, Ms. Mason alleged these four checks were to reimburse the Academy for the amounts paid to herself and Wilson H. Willard III for the start-up of the four new schools.

The checks issued reflected the phrase "donation" in the memo line item. From a review of Youth Empowerment's bank activity, we determined the \$25,400 paid by the Academy, signed by Shirley Mason and an unknown individual, funded Youth Empowerment checks issued to the Academy for \$13,900, to the Veritas Gifted Academy for \$5,750, and to the CSRIC for \$5,750. The Academy did not provide an invoice supporting the payment of \$25,400 to Youth Empowerment for expenses incurred. Youth Empowerment's bank activity did not reflect any additional Academy expenses incurred which would support this payment. In addition, no deposits were made into Youth Empowerment's bank account by Mr. Willard or Ms. Mason to reimburse the Academy these funds.

Additionally, Wilson H. Willard III subsequently pleaded guilty and was convicted of, in part, one count of theft related to this finding for recovery.

¹ Finding 2005-006: footnote 1 – Wilson Willard III is listed as an "initial Director" of Youth Empowerment, Inc on the Initial Articles of Incorporation filed with the Ohio Secretary of State July 14, 2005.

**FINDING NUMBER 2005-006
 (Continued)**

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

In accordance with the forgoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against the following individuals in the following amounts and in favor of W.E.B. Dubois Academy.

Against	Amount
Wilson H. Willard III and Shirley Mason, Jointly and Severally	\$20,000
Shirley Mason and Wilson H. Willard III, Jointly and Severally	3,000
Shirley Mason, and Wilson H. Willard III, Jointly and Severally	4,500
CSRIC, Shirley Mason, and Wilson H. Willard III, Jointly and Severally	9,250
Veritas Gifted Academy, Shirley Mason, and Wilson H. Willard III, Jointly and Severally	9,250
Wilson H. Willard III, Shirley Mason, and Veritas Gifted Academy, Jointly and Severally	5,750
Wilson H. Willard III, Shirley Mason, and CSRIC, Jointly and Severally	<u>5,750</u>
	<u>\$57,500</u>

FINDING NUMBER 2005-007

Finding for Recovery

Withdrawal from EPF Foundation Account

Ohio Rev. Code, Section 3314.03(A)(11)(d), requires that each contract entered into between a sponsor and the governing authority of a community school shall specify that the school will comply with Section 149.43 of the Ohio Rev. Code. **Ohio Rev. Code, Section 149.43(B)**, states, in part, that all public records shall be promptly prepared and made available for inspection to any person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

On July 22, 2004, a withdrawal was made from the EPF Foundation bank account for \$600. In reviewing the QuickBooks reconciliation provided by the Academy Treasurer, the withdrawal was reflected as a petty cash withdrawal. Wilson H. Willard III, Former Superintendent, was the person making the withdrawal, according to the printed name and signature on the withdrawal form provided by the bank. We were unable to determine from the available documentation how the funds were expended, and whether the expenses were related to school activity.

The Academy’s failure to maintain adequate support for expenditures represents a pattern of abuse which could result in a loss of accountability over the Academy’s finances, make it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts and Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Wilson H. Willard III, former Superintendent, in the amount of \$600 and in favor of W.E.B. Dubois Academy.

FINDING NUMBER 2005-008

Finding for Recovery

Reimbursement for Superintendent Services

Pursuant to Section 4.2A of the contract, Youth Empowerment invoiced and received payment from W.E.B. DuBois Academy for Superintendent Services provided by Wilson Willard III during the period October 1, 2005 through June 30, 2006 (the Period). In accordance with this Section, these payments included benefits, retirement pick-up on the pick-up, valid compensation owed, taxes, Medicare, professional development, travel, conferences and all other costs, fees and vacation cash payments.

However, to comply with the Section 4.1I contractual requirement that Wilson Willard continue his participation and enrollment in the State Teachers Retirement System, W.E.B. DuBois Academy also made gross payments and related contributions totaling \$61,151 to or on behalf of Wilson Willard for the period October 1, 2005 through March 31, 2006. No payments were issued by W.E.B. DuBois to Wilson Willard after this date.

Since W.E.B. DuBois had previously remitted payment to Youth Empowerment for the invoiced Superintendent Services, Youth Empowerment issued checks totaling \$37,366 to reimburse W.E.B. DuBois Academy for Superintendent payroll expenses to, or on behalf of, Wilson Willard. Youth Empowerment did not reimburse W.E.B. DuBois Academy the remaining \$23,785.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money due but not collected is hereby issued against Youth Empowerment in the amount of \$23,785 and in favor of W.E.B. DuBois Academy.

FINDING NUMBER 2005-009

Finding for Recovery

Professional Development – Xavier University

Youth Empowerment invoiced and was paid by W.E.B. DuBois Academy \$1,223 for Superintendent professional development expenses at Xavier University incurred in October 2005 and again in March 2006. Wilson Willard's Xavier University student account history did not reflect tuition expenses incurred by Wilson Willard or Youth Empowerment during these months. As such, Youth Empowerment improperly invoiced W.E.B. DuBois Academy for these expenses. These payments were signed by Wilson Willard and Shirley Mason.

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

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Wilson Willard, Shirley Mason, W.E.B. DuBois Business Manager, and Youth Empowerment, jointly and severally, in the amount of \$2,446 and in favor of W.E.B. DuBois Academy.

FINDING NUMBER 2005-010

Finding for Recovery

Professional Development – University of Cincinnati

Youth Empowerment invoiced and was paid by W.E.B. DuBois Academy \$1,794 for Superintendent professional development expenses incurred at the University of Cincinnati in October 2005. Wilson Willard's University of Cincinnati student account history documented Wilson Willard incurred the tuition expense on August 23, 2005, which W.E.B. DuBois Academy paid on September 29, 2005. Thus, Youth Empowerment did not incur a liability for Wilson Willard's tuition expense and should not have invoiced or been paid by W.E.B. DuBois Academy for it. This payment was signed by Wilson Willard and Shirley Mason.

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

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Wilson Willard, Shirley Mason, W.E.B. DuBois Business Manager, and Youth Empowerment, jointly and severally, in the amount of \$1,794 and in favor of W.E.B. DuBois Academy.

FINDING NUMBER 2005-011

Finding for Recovery

University of Cincinnati Tuition Refund

On June 4, 2005, the University of Cincinnati invoiced Wilson Willard for \$3,591 of 2005 Summer Quarter tuition and a \$1,717 previous balance. Of the \$5,308 due, \$2,181 was funded by a scholarship and remainder via three W.E.B. DuBois Academy electronic payments totaling \$4,903. On July 28, 2005, the University refunded Wilson Willard \$1,776, which he deposited into his personal bank account at Fifth Third Bank. However, the refund check should have been deposited into W.E.B. DuBois Academy's bank account since its payments resulted in the overpayment.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money collected but unaccounted for is hereby issued against Wilson Willard in the amount of \$1,776 and in favor of W.E.B. DuBois Academy.

FINDING NUMBER 2005-012

Finding for Recovery

Overpayment of Food Service Reimbursement

Section 4.2D of the contract between WEB DuBois Academy and Youth Empowerment provides that "Youth Empowerment LLC is responsible for contracting for food service for the Community School through any and all means chosen by the Youth Empowerment LLC. The Community School would transfer the total amount obtained from the Federal Government for food service to Youth Empowerment LLC and the Youth Empowerment LLC shall pay the food vendor from those funds. The Youth Empowerment LLC must operate food source within the total amount received."

**FINDING NUMBER 2005-012
(Continued)**

During the period October 1, 2005 through June 30, 2006, Youth Empowerment paid \$19,110 to Helen's Grille for meals provided for November 2005. Payments for meals served during the remaining months were paid by W.E.B. Dubois.

Based on the claim filed for November 2005 meals served, W.E.B. Dubois received \$16,496 in federal reimbursement. Instead of requesting the \$16,496 be transferred to Youth Empowerment for food service expenses, Youth Empowerment invoiced and was paid by WEB Dubois \$23,000 for food service. This resulted in a \$6,504 payment in excess of the reimbursement received.

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

In accordance with the foregoing facts and Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Youth Empowerment and Shirley Mason, W.E.B. Dubois Business Manager, jointly and severally, in the amount of \$6,504 and in favor of W.E.B. Dubois Academy.

FINDING NUMBER 2005-013

Finding for Recovery

Payments to Youth Empowerment for New Curriculum

Sections 4.2H and 4.2I of the contract between W.E.B. DuBois Academy and Youth Empowerment provided it was Youth Empowerment's responsibility for developing the curriculum and extra-curricular content at W.E.B. DuBois Academy. These Sections also provide that new programs "will be dealt with using the provisions of Section 4.2F." Section 4.2F stated the following:

"All new programs must be reported at inception to the Equal Playing Field Corporation dba W.E.B. DuBois Academy Governing Board by certified mail to the Board Secretary that gives the description (1 paragraph), inception date, Community School Operational Costs, safety assurance for risk management, insurance policy evaluation for coverage and how the program helps the school mission or student developmental assets or marketing. Under no circumstances can there be a charge of more than \$20,000 per year for the total number of all programs developed."

For the period October 1, 2005 through June 30, 2006, W.E.B. DuBois Academy paid Youth Empowerment \$15,000 for "Curriculum Design Sales" and \$5,000 for Extra Curricular Design. Based on available Board minutes, Board Members' written statements and additional interviews, W.E.B. DuBois Academy did not purchase, receive or implement new curriculum obtained from Youth Empowerment, nor was there any indication that Youth Empowerment developed any new curricular or extra-curricular programs. These payments were signed by Wilson Willard and Shirley Mason.

**FINDING NUMBER 2005-013
 (Continued)**

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

In accordance with the foregoing facts and Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Wilson Willard III, Youth Empowerment, and W.E.B. DuBois Academy Business Manager Shirley Mason, jointly and severally, in the amount of \$20,000 and in favor of W.E.B. Dubois Academy.

FINDING NUMBER 2005-014

Material Weakness

Service Contracts

During the 05-06 school year, W.E.B. DuBois Academy contracted with Youth Empowerment to provide cleaning, security and food services and to purchase janitorial supplies. In reviewing Youth Empowerment’s bank account activity, we noted the following payments by W.E.B. DuBois Academy were in excess of amounts expended by Youth Empowerment for those services:

Service Provided	Youth Empowerment Invoiced Amount	Costs Incurred by Youth Empowerment	Variance
Facility Cleaning	\$ 19,200.00	\$ 2,516.47	\$16,683.53
Supplies	6,750.00	3,319.58	3,430.42
Ground Maintenance	22,500.00	4,868.12	17,631.88
Food Service	23,000.00	19,110.00	3,890.00
Security	42,107.34	22,634.47	19,472.87
	<u>\$ 113,557.34</u>	<u>\$ 52,448.64</u>	<u>\$61,108.70</u>

By not completing a cost-benefit analysis when the above noted services were outsourced, W.E.B. DuBois remitted a significantly higher amount than the cost of the service provided.

Prior to outsourcing services, we recommend W.E.B. DuBois Academy calculate the cost paid for the services in past years. The Academy should compare the calculated amount to the contractor’s estimate to determine whether it is cost efficient to outsource those services.

FINDING NUMBER 2005-015

Noncompliance Citation/Reportable Condition

Deposit of Receipts

Ohio Revised Code, Section 9.38, provides that public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it. If the public office is governed by a legislative authority (counties, municipalities, townships, and school districts), only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period. If the amount exceeds \$1,000 or a lesser amount cannot be safeguarded, the public official must then deposit the money on the next business day following the day or receipt.

In reviewing items deposited, we identified checks which were deposited up to 70 days after the issuance date during the 04-05 school year. In addition, proper documentation was not maintained to determine when checks were received by the school. Failure to deposit funds in a timely manner can result in public funds being inadequately safeguarded and can increase the risk of misappropriation of public funds.

To reduce the risk of loss of funds and non compliance with Ohio law, the Academy should adopt a policy outlining procedures to comply with the deposit of funds as designated by Ohio Revised Code Section 9.38.

FINDING NUMBER 2005-016

Noncompliance Citation/Reportable Condition

Ohio Rev. Code, Section 3314.03(A)(11)(d), requires that each contract entered into between a sponsor and the governing authority of a community school shall specify that the school will comply with Section 149.43 of the Ohio Rev. Code. **Ohio Rev. Code, Section 149.43(B)**, states, in part, that all public records shall be promptly prepared and made available for inspection to any person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

During fiscal year 2005, the Academy did not maintain detailed vendor receipts to support debit card disbursements totaling \$4,498. The Academy also could not locate support for employee reimbursements totaling \$13,965, an ATM withdrawal of \$22, and a maintenance service contract with James Locke in the amount of \$2,500. Also, the Academy was unable to locate 2 student files supporting the student's enrollment and attendance at the Academy.

For one of the 146 students examined during the July and August 2005 existence testing, the student file could not be located by the Academy in a paper or electronic format, and the Academy failed to provide the student name for one corresponding SSID number. The Academy also failed to provide attendance records, grade cards, and lunchroom rosters for audit for the months of July and August 2005.

This control weakness could result in errors or misstatements in the financial records, the unauthorized purchase of goods or services, the misappropriation of Academy assets, or the inaccurate reporting of student data leading to incorrect funding. The processing of non-payroll disbursements should include, but is not limited to, a comparison of the check and supporting documentation, such as the invoice, should be made to verify all information is complete before the check is issued. We also recommend the Academy maintain all hardcopy and electronic student files to support enrollment and attendance of students.

FINDING NUMBER 2005-017

Reportable Condition

The Academy should maintain an accounting system and accounting records sufficient to enable them to identify, assemble, analyze, classify, record and report their transactions, maintain accountability for the related assets and liabilities, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Academy did not maintain leave records documenting leave accumulated and used or the outstanding balance for each employee. As noted in Finding 2005- 001, the former Superintendent received a cash payment for 14 days of unused vacation in the amount of \$6,192. We were not able to verify his outstanding leave balance at June 30, 2005.

Failure to maintain accurate leave records and subsequent leave balances could result in employees being compensated for time they are not entitled to receive. We recommend the Academy maintain detailed leave records for each employee. These records should document leave accrued and used during the year, as well as each employee's outstanding balance.

Furthermore,

- The Academy did not maintain supporting documenting for expenditures posted to various line items resulting in a variance of \$53,760 between the check register and general ledger.
- The Academy could not substantiate \$19,377 of transfers out posted to the general ledger.
- The Academy did not maintain supporting documenting for \$8,548 of receipts posted to the "refund of prior years expenditure" line item.
- Also, the Academy issued checks out of the correct sequential order. Checks 200601 and 200602 were issued after check 200713.

Failure to maintain accurate records and correctly post receipts or expenditures could result in the misuse and/or illegal expenditure of Academy funds. We recommend the Academy maintain detailed records for each expenditure amount, detailing the payee, amount and a description of the activity. We recommend the Academy maintain detailed records for each expenditure amount, detailing the payee, amount and a description of the activity.

FINDING NUMBER 2005-018

Reportable Condition

Monitoring controls are regular management and supervisory activities established to oversee whether management's objectives are being achieved, covering operational and legal compliance, as well as financial control objectives. Effective monitoring controls should identify unexpected results or exceptions (including significant compliance exceptions), investigate underlying causes, and take corrective action.

When designing the public office's system of internal control and the specific control activities, management should consider:

- Ensuring that all transactions are properly authorized in accordance with management's policies.
- Ensuring that accounting records are properly designed.
- Ensuring the collection and compilation of the data needed for the timely preparation of financial statements.

**FINDING NUMBER 2005-018
(Continued)**

The Academy did not have adequate monitoring controls in place. The following internal control weaknesses were noted:

- Prior audit findings had not been addressed or corrected.
- Bank reconciliations were incomplete and did not include all bank accounts. There was no evidence of Board review or approval of the reconciliations.
- Twenty seven percent of expenditures reviewed were made without proper supporting documentation or evidence of Board review and approval, resulting in multiple findings for recovery.
- An inconsistent system of using purchase orders was in place; and when purchase orders were used they were not approved by the former Business Manager and/or the former Superintendent;
- The Board met only five times during the year and the minutes indicated the Board reviewed only four financial reports during the year.
- The official actions of the Board were not documented by a vote of the Board.

These internal control weaknesses increase the risk of misstatements in the financial records, unauthorized purchase of goods or services, and misappropriation of school assets; and could result in an environment which promotes possible fraud risk or misappropriation of funds. The risk is increased due to the small size of the Academy and the lack of segregation of duties.

Monitoring controls should be put into place by the Board to help assure that work being performed, laws required to be followed and reports generated are meeting the objectives of the Board and Management. Monitoring controls should be performed by someone independent of those performing the tasks.

These controls should include, but are not limited to, the following:

- Appointing an audit committee to review audit reports and monitor corrective actions.
- Review of monthly financial reports by the Board including, but not limited to: bank reconciliations (with supporting documentation such as bank statements and outstanding checklists, deposits in transit), and all expenditures/checks. The Board should receive this information prior to the regular meetings so that members have an opportunity to review the information and ask informed questions. The Board's approval of these reports should be documented in the minutes.
- Meeting on a regular basis with a quorum so that irregularities may be addressed in a timely and effective manner.
- Prior authorization of a purchase through the use of a purchase orders that are approved by appropriate members of management. The purchase order should include appropriate fund and account coding.
- Obtaining/reviewing (prior to authorization for payment) and maintaining appropriate supporting documentation for all expenditures (original invoices);
- Agreeing the invoice with purchase order and copy of check to ensure all supporting documentation agrees prior to payment.

FINDING NUMBER 2005-019

Reportable Condition

The Academy has maintained an outside bank account since October 2003 that was not included on their books. The account is with PNC bank under the name "Equal Playing Field Corporation." The Equal Playing Field Corporation is a non-profit organization incorporated in 1999 when the school was formed. The Equal Playing Field Corporation does business as (dba) W.E.B. Dubois Academy.

The 2004-2005 activity for the Equal Playing Field bank account has been included in the June 30, 2005 financial statements. Adjustments to the Academy's accounting records and financial statements were made to increase receipts by \$150,450; increase disbursements by \$4,133; and increase the fund balance by \$146,317.

To maintain accurate financial information for the Academy, we recommend that Academy include all information regarding school bank accounts on their books.

FINDING NUMBER 2005-020

Reportable Condition

Authorized Signatory Cards were used by PNC bank and the Academy to identify the following individuals authorized to sign checks on behalf of the Academy: Wilson H. Willard III, former Superintendent, Shirley Mason, former Business Manager and Ed Burdell, Board Member.

It was noted that in 42 of the 94 (44%) disbursements tested that Amy Adams, a teacher, signed on behalf of the Academy, but was not listed as an authorized signer on the account. The practice of allowing an unauthorized signer to sign checks on behalf of the school increases the risk of unauthorized expenditures and possible misappropriation of funds.

We recommend that the Academy review and update all of the authorized signers with PNC bank, and only allow those individuals to sign checks for the school.

FINDING NUMBER 2005-021

Reportable Condition

To promote adequate safeguards over their capital assets, and to reduce the risk that the Academy's capital assets will misstated, the Academy should have appropriate procedures in place to maintain an updated capital asset list. These procedures, at a minimum, should include:

- Tagging all assets that meet the Academy's capitalization criteria when received;
- Developing a form to be completed by the Academy's staff, and approved by management when assets are acquired or disposed. This form should document the tag number, a description of the asset, the cost, the acquisition date, fund charged, the location, and a reference to supporting documentation (i.e. purchase order, invoice); and
- Developing procedures for performing periodic (annual) physical inventories.
- Reviewing the capital asset listing prior to July 1, 2004 for accuracy to verify that all assets included meet the capitalization criteria established by the Academy.

FINDING NUMBER 2005-021
(Continued)

The Academy does not have a capital asset policy but maintained a capital asset listing during the audit period, however, this list was incomplete. Due to the incompleteness of the Capital Asset listing and the lack of vendor invoices maintained for disbursements it could not be determined if some of the assets were still being held by the school. As a result, the Academy failed to include capital assets totaling \$99,037 in their financial statements. An adjustment was proposed to correct this.

Failure to employ adequate controls over the acquisition and disposal of capital assets could result in misappropriation and misstatement of assets.

We recommend the Academy prepare a list of all capital assets which documents each location and the individuals responsible for that location. In addition, we recommend the responsible individuals review the capital asset list for accuracy. Updates and/or changes should be made to the master list for errors noted during the review of inventory.

**W.E.B. DUBOIS ACADEMY
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	Finding for Recovery issued for public money illegally expended.	No	Multiple findings for recovery issued in 2005 report for public money illegally expended
2004-002	Finding for Recovery issued for public money illegally expended.	No	Multiple findings for recovery issued in 2005 report for public money illegally expended
2004-003	Finding for Recovery issued for unauthorized leave payout.	No	Reissued as 2005-001
2004-004	Finding for Recovery issued for overpayment from the Ohio Department of Education.	No	Reissued as 2005-003
2004-005	Finding for Recovery issued for overpayment from the Ohio Department of Education.	No	Reissued as 2005-004
2004-006	Finding for Recovery for public monies collected but unaccounted for.	No	Findings for recovery issued in 2005 report for reasons other than public monies collected but unaccounted for
2004-007	Finding for Recovery issued for public monies collected but unaccounted for.	No	Findings for recovery issued in 2005 report for reasons other than public monies collected but unaccounted for
2004-008	Finding for Recovery issued for public money illegally expended.	No	Multiple findings for recovery issued in 2005 report for public money illegally expended
2004-009	Failure to deposit funds in a timely manner.	No	Reissued as 2005-015
2004-010	Failure to maintain accurate leave records and leave balances.	No	Reissued as 2005-017
2004-011	Failure to have sufficient monitoring controls in place.	No	Reissued as 2005-018
2004-012	Failure to include outside bank account on the accounting system.	No	Reissued as 2005-012

Note: The report that contained the findings above for the year ended June 30, 2004 was issued at the same time as this report. Therefore, many of the comments could not be addressed prior to the issuance of this report.



Mary Taylor, CPA
Auditor of State

W.E.B. DUBOIS ACADEMY

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
APRIL 2, 2009**