



Dave Yost • Auditor of State

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

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Cash Bank Balance - For the Year Ended June 30, 2010	3
Statement of Cash Bank Balance - For the Year Ended June 30, 2009	4
Statement of Cash Bank Balance - For the Year Ended June 30, 2008	5
Statement of Cash Bank Balance - For the Year Ended June 30, 2007	6
Statement of Cash Bank Balance - For the Year Ended June 30, 2006	7
Notes to the Financial Statements for the Years Ended June 30, 2010, 2009, 2008 2007, and 2006	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Schedule of Findings.....	13
Schedule of Prior Audit Findings.....	19

THIS PAGE INTENTIONALLY LEFT BLANK.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Directors:

We were engaged to audit the financial statements of Legacy Academy for Leaders and the Arts, Mahoning County, (the "School") as of and for the years ended June 30, 2010, 2009, 2008, 2007, and 2006. The financial statements are the responsibility of the School's management.

Management has not provided the Auditor of State certain written representations, including but not limited to, management's responsibility for preparing the financial statements in conformity with the School's accounting basis; the availability of original financial records and related data, the completeness and availability of all minutes of the legislative or other bodies and committee meetings; management's responsibility for the School's compliance with laws and regulations; the identification and disclosure to the Auditor of State of all laws, regulations, and provisions of contracts and grant agreements directly and materially affecting the determination of financial statement amounts and; the presence or absence of fraud involving management or employees with significant roles in internal control; compliance with laws, regulations, and provisions of contracts and grant agreements, including budget laws, compliance with any debt covenants; the identification of all federal assistance programs, and compliance with federal grant requirements.

The School did not maintain supporting documentation for bank reconciliations; student full-time equivalencies reported to the Ohio Department of Education (ODE); (the full-time equivalencies are used by ODE to calculate the School's State Foundation Settlement payments); capital asset listing; accounts payable listing; employee W-2 records; and employee contracts for the years ended June 30, 2010, 2009, and 2008. Further, the School's records do not permit the application of other auditing procedures. In addition, we prepared the School's financial statements and notes to the financial statements. *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the School.

Since the School did not provide the evidence described in paragraphs two and three above, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial activity referred to in the first paragraph.

As discussed in Note 6, the School's Board of Directors made the decision that the School would terminate operations as of June 30, 2011 due to declining enrollment.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2011, 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.

Accounting principles generally accepted in the United States of America also requires the School to include Management's Discussion and Analysis. The School has presented Management's Discussion and Analysis and we were unable to determine the validity of the information presented.

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

Dave Yost
Auditor of State

November 28, 2011

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

**STATEMENT OF CASH BANK BALANCE
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Amount</u>
Cash Bank Balance July 1, 2009	<u>\$29,302</u>
Cash Bank Balance June 30, 2010	<u>\$11,247</u>

See accompanying notes to the financial statements.

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

**STATEMENT OF CASH BANK BALANCE
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Amount</u>
Cash Bank Balance July 1, 2008	<u>\$ 6,275</u>
Cash Bank Balance June 30, 2009	<u>\$29,302</u>

See accompanying notes to the financial statements.

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

**STATEMENT OF CASH BANK BALANCE
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Amount</u>
Cash Bank Balance July 1, 2007	<u>\$54,736</u>
Cash Bank Balance June 30, 2008	<u>\$ 6,275</u>

See accompanying notes to the financial statements.

LEGACY ACADEMY FOR LEADERS AND THE ARTS
MAHONING COUNTY

STATEMENT OF CASH BANK BALANCE
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Amount</u>
Cash Bank Balance July 1, 2006	<u>\$70,245</u>
Cash Bank Balance June 30, 2007	<u>\$54,736</u>

See accompanying notes to the financial statements.

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

**STATEMENT OF CASH BANK BALANCE
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Amount</u>
Cash Bank Balance July 1, 2005	<u>\$35,522</u>
Cash Bank Balance June 30, 2006	<u>\$70,245</u>

See accompanying notes to the financial statements.

This page intentionally left blank.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30 2010, 2009, 2008, 2007, AND 2006**

1. DESCRIPTION OF THE SCHOOL

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

The School was approved for operation under contract with Educational Resource Consultants (the "Sponsor") for a period of five academic years thru June 30, 2010. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The basis of presentation is the cash bank balance only.

B. Cash

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

D. Intergovernmental Revenues

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30 2010, 2009, 2008, 2007, AND 2006
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

Unlike other public schools in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the School and its Sponsor. The contract agreement between the School and its Sponsor does prescribe an annual budget requirement in addition to preparing a five year forecast which is to be updated on an annual basis.

3. DEPOSITS

The Cash Bank Balances were as follows:

June 30, 2010 -	\$11,247
June 30, 2009 -	\$29,302
June 30, 2008 -	\$ 6,275
June 30, 2007 -	\$54,736
June 30, 2006 -	\$70,245

4. CONTINGENCIES

A. Grants

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

B. Ohio Department of Education Enrollment Review

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

5. FEDERAL TAX EXEMPT STATUS

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

6. SUBSEQUENT EVENT

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



Dave Yost • Auditor of State

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

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

To the Board of Directors:

We were engaged to audit the financial statements of the Legacy Academy for Leaders & the Arts, Mahoning County, (the "School"), as of and for the years ended June 30, 2010, 2009, 2008, 2007 and 2006, and have issued our report thereon dated November 28, 2011, wherein we did not express an opinion because the School management has not provided the Auditor of State certain written representations, including but not limited to, management's responsibility for preparing the financial statements in conformity with the School's accounting basis; the availability of original financial records and related data, the completeness and availability of all minutes of the legislative or other bodies and committee meetings; management's responsibility for the School's compliance with laws and regulations; the identification and disclosure to the Auditor of State of all laws, regulations, and provisions of contracts and grant agreements directly and materially affecting the determination of financial statement amounts and; the presence or absence of fraud involving management or employees with significant roles in internal control; compliance with laws, regulations, and provisions of contracts and grant agreements, including budget laws, compliance with any debt covenants; the identification of all federal assistance programs, and compliance with federal grant requirements.

The School did not maintain supporting documentation for bank reconciliations; student full-time equivalencies reported to the Ohio Department of Education (ODE); (the full-time equivalencies are used by ODE to calculate the School's State Foundation Settlement payments); capital asset listing; accounts payable listing; employee W-2 records; and employee contracts for the years ended June 30, 2010, 2009, and 2008. Further, the School's records do not permit the application of other auditing procedures. In addition, we prepared the School's financial statements and notes to the financial statements. *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the School for the years ended June 30, 2010, 2009, 2008, 2007, and 2006. At the School's June 2, 2011 board meeting, the Board of Directors made the decision that the School would terminate operations as of June 30, 2011 due to declining enrollment.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the School's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses.

Voinovich Government Center, 242 Federal Plaza W. Suite 302, Youngstown, Ohio 44503-1293
Phone: 330-797-9900 or 800-443-9271 Fax: 330-797-9949

www.auditor.state.oh.us

However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and another deficiency we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2010-005 through 2010-007 described in the accompanying schedule of findings to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2010-008 described in the accompanying schedule of findings to be a significant deficiency.

Compliance and Other Matters

To the extent possible, 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 that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2010-001 through 2010-005.

We also noted certain matters not requiring inclusion in this report that we reported to the School's management in a separate letter dated November 28, 2011.

We intend this report solely for the information and use of management, the Board of Directors, the Community School's sponsor, and others within the School. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

November 28, 2011

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

**SCHEDULE OF FINDINGS
JUNE 30, 2010**

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

FINDING NUMBER 2010-001

Material Citation

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

The School properly withheld Federal income taxes from employee payroll checks but did not file a return and remit the taxes to the Federal Government. The amount withheld from employees during each fiscal year was as follows:

Fiscal Year	Federal Withheld from Employees	Federal Payments Made	Total Federal Due
2005 (carryover balance)	\$95,524.44		
2006	\$158,512.97	\$240,030.98	\$ 14,006.43
2007	\$83,676.00	\$ 34,992.43	\$ 62,690.00
2008	\$50,733.00	0	\$113,423.00
2009	\$25,893.00	\$ 60,852.00	\$ 78,464.00
2010	\$24,304.00	0	\$102,768.00

Fiscal Year	FICA/Medicare Withheld from Employees	FICA/Medicare Payments Made	Total FICA/Medicare Due
2005 (carryover balance)	\$61,046.33		
2006	\$31,693.28	\$91,757.07	\$ 982.52
2007	\$28,025.81	\$ 7,774.46	\$21,233.89
2008	\$15,783.42	0	\$37,017.31
2009	\$10,196.56	\$20,000.00	\$27,213.87
2010	\$11,563.02	0	\$38,776.89

We recommend that the School promptly pay the taxes that are withheld to avoid any penalties and interest the taxing authority may impose on the School. This matter will be referred to the Internal Revenue Service.

Official's Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2010-002

Material Citation

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

**FINDING NUMBER 2010-002
 (Continued)**

Ohio Revised Code Section 5747.07 (B) states that, with certain exceptions, every employer required to deduct and withhold any amount under **Ohio Revised Code Section 5747.06** shall file a return and shall pay the amount required by law in accordance with guidelines provided by this section.

The School properly withheld Ohio income taxes from the employee's payroll checks but did not file a return and remit said taxes to the State of Ohio. The amount withheld from employees during each fiscal year was as follows:

Fiscal Year	Ohio Income Taxes Withheld from Employees	Payments Made	Total Ohio Income Tax Due
2005 (carryover balance)	\$71,634.55		
2006	\$33,704.25	\$13,438.72	\$91,900.08
2007	\$27,928.32	\$6,591.97	\$113,236.43
2008	\$16,497.86	0	\$129,734.29
2009	\$9,753.79	\$460.00	\$139,028.08
2010	\$9,223.31	0	\$148,251.39

We recommend that the School promptly pay the taxes that are withheld to avoid any penalties and interest that the taxing authority may impose on the School. This matter will be referred to the Ohio Department of Taxation.

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2010-003

Material Citation

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

The School properly withheld Youngstown City income taxes from employee payroll checks but did not file a return and remit said taxes to the City of Youngstown. The amount withheld from employees during each fiscal year was as follows:

Fiscal Year	Youngstown City Taxes Withheld from Employees	Payments Made	Total Youngstown City Taxes Due
2005 (carryover balance)	\$75,126.90		
2006	\$29,610.30	0	\$104,737.20
2007	\$26,107.91	0	\$130,845.11
2008	\$14,534.39	0	\$145,379.50
2009	\$9,398.02	\$10,000.00	\$144,777.52
2010	\$10,614.72	\$69,025.00	\$86,367.24

**FINDING NUMBER 2010-003
(Continued)**

This matter will be referred to the City of Youngstown.

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2010-004

Material Citation

Ohio Revised Code Section 3314.011 states every community school established under this chapter shall have a designated fiscal officer. The Auditor of State may require by rule (see OAC 117-6-07 below) that the fiscal officer of any community School, before entering upon duties as the fiscal officer of the School, execute a bond in an amount and with surety to be approved by the governing authority of the School, payable to the state, conditioned for the faithful performance of all the official duties required of the fiscal officer. Any such bond shall be deposited with the governing authority of the School, and a copy thereof, certified by the governing authority, shall be filed with the county auditor.

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

The School did not execute a bond for the Fiscal Officer. Additionally, the bond amount was not approved by the Board. This could result in the bond amount being inadequate and the School assuming unnecessary liability. The School should implement procedures to verify that the appointed fiscal officer is bonded and that the amount of the bond is adequate for the cash flow of the School.

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2010-005

Material Citation and Material Weakness

Ohio Revised Code Section 149.43 provides in part that "public record" means a record that is kept by any public office, including, but not limited to, state, county, city village, township, and school district units. Furthermore division (B)(1) of this section states that all public records shall be promptly prepared and made readily available for inspection to any person at all reasonable times during regular business hours. Upon request, a public office or person responsible for public records shall make copies available at cost, within a reasonable period of time. 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.

The School could not provide sufficient payroll documentation, such as W-2 and W-4 reports, to enable the Auditor of State to accurately determine whether employees of the School were being properly paid.

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2010-006

Material Weakness

The School's bank reconciliations did not agree with the cash balances as shown on the *Statement of Cash Bank Balance*. We noted the following issues with School checks:

- Checks were posted to the School's computer system that never cleared the bank;
- Checks cleared the bank that were never entered into the School's computer system;
- Checks were being altered on the School's computer system after they had cleared the bank.

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

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2010-007

Material Weakness

The School did not maintain strong monitoring controls, nor did they utilize key performance indicators. Key performance indicators are information that Management utilizes to measure the financial performance related to the various operations of the School. Monitoring controls assist in the cash management function and should include the following:

- Regular review of budget and actual amounts;
- Regular review of financial report summaries of sufficient detail (monthly detailed revenue and expenditure reports);
- Review of revenues and expenditures with independently accumulated data/information (budgets, past performance);
- Review of monthly Bank reconciliations.

Failure of the Board to properly utilize and implement such monitoring controls could result in the Board being unaware of the performance and potential financial distress of the School.

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2010-008

Significant Deficiency

We noted the following difficulties in trying to perform the audit of the School:

- a. The School did not provide cancelled checks for the audit period;
- b. The School did not provide any invoices or receipts related to a number of expenditures made by the School, and;
- c. The School's GAAP financial statements and related footnote disclosures required numerous corrections.

These difficulties lead to an inordinate amount of time being expended by the School and its officials to correct these discrepancies, which substantially delayed and hindered the completion of this audit.

We recommend the following:

- a. The School obtain copies of all cancelled checks for the respective audit period and maintain them for audit purposes;
- b. The School maintain all original documentation relevant to any expenditures made, preferably with the corresponding check used for the payment, and;
- c. The School provide a complete and accurate set of GAAP financial statements and footnote disclosures for audit purposes.

Officials' Response:

We did not receive a response from Officials to this finding.

THIS PAGE INTENTIONALLY LEFT BLANK.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2010, 2009, 2008, 2007, AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid;
2005-001	Finding for Recovery against Mt. Calvary Pentecostal Church – improper payments made to church based on lease agreement.	No	Finding has not been repaid.
2005-002	Finding for Recovery against Mt. Calvary Pentecostal Church – no supporting documentation for payments made.	No	Finding has not been repaid.
2005-003	Finding for Recovery against Joyce Baldwin – no supporting documentation for payments made.	No	Finding has not been repaid.
2005-004	Finding for Recovery against Carl Simms – no supporting documentation for payments made.	No	Finding has not been repaid.
2005-005	Finding for Recovery against George Green – no supporting documentation for payment made.	No	Finding has not been repaid.
2005-006	Finding for Recovery against Karla Randall – no supporting documentation for payments made.	No	Finding has not been repaid.
2005-007	Finding for Recovery against Lori Voytko – no supporting documentation for payment made.	No	Finding has not been repaid.
2005-008	Finding for Recovery against R. Preston – no supporting documentation for payment made.	No	Finding has not been repaid.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2010, 2009, 2008, 2007, AND 2006
(Continued)**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid;
2005-009	Finding for Recovery against Carl Shye and Jerry McKinney – no supporting documentation for payments made.	No	Finding has not been repaid.
2005-010	Finding for Recovery against Ed Bolling, Jerry McKinney, and Leonard Randall – no supporting documentation for payments made.	No	Finding has not been repaid.
2005-011	26 USCS Sections 3102 and 3402 – School properly withheld federal income taxes from employees but failed to file a return and remit the taxes to the federal government.	No	Not Corrected - reissued as Finding Number 2010-001.
2005-012	ORC Sections 5747.06 and 5747.07 (B) - School properly withheld Ohio income taxes from employees but failed to file a return and remit the taxes to the State of Ohio.	No	Not Corrected - reissued as Finding Number 2010-002.
2005-013	Youngstown City Codified Ordinance 181.06 (a) and 181.15 - School properly withheld City of Youngstown income taxes from employees but failed to file a return and remit the taxes to the City of Youngstown	No	Not Corrected - reissued as Finding Number 2010-003.
2005-014	A material weakness was issued regarding errors noted in the financial report presented for audit.	No	Not corrected – current opinion was disclaimed.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2010, 2009, 2008, 2007, AND 2006
(Continued)**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid;
2005-015	A reportable condition was issued regarding the difficulties encountered in trying to perform the audit of the School.	No	Not corrected – reissued as Finding Number 2010-008.
2005-016	ORC Section 3312.011 and OAC Section 117-6-07 – the School did not execute a bond for the Fiscal Officer.	No	Not corrected – reissued as Finding Number 2010-004.
2005-017	A material weakness was issued for the School not maintaining strong monitoring controls.	No	Not corrected – reissued as Finding Number 2010-007.

This page intentionally left blank.



Dave Yost • Auditor of State

LEGACY ACADEMY FOR LEADER AND THE ARTS

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 12, 2012**