WORLD OF WONDER ACCELERATED LEARNING COMMUNITY SCHOOL
MONTGOMERY COUNTY

SINGLE AUDIT
FINAL AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Mary Taylor, CPA
Auditor of State

WORLD OF WONDER ACCELERATED LEARNING COMMUNITY SCHOOL
MONTGOMERY COUNTY

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Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

World of Wonder Accelerated Learning Community School
Montgomery County
4411 Oakridge Drive
Dayton, Ohio 45417

To the Governing Board:

We have audited the accompanying basic financial statements of the World of Wonder Accelerated Learning Community School, Montgomery County (the School), as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the World of Wonder Accelerated Learning Community School, as of June 30, 2006, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 16, the School ceased operations as of June 30, 2006.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2007, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, 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.

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We conducted our audit to opine on the financial statements that collectively comprise the School's basic financial statements. The schedule of federal awards receipts and expenditures is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the schedule of federal awards receipts and expenditures to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 6, 2007

WORLD OF WONDER ACCELERATED LEARNING COMMUNITY SCHOOL
MONTGOMERY COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

The discussion and analysis of the World of Wonder Accelerated Learning Community School's financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2006. 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.

Financial Highlights

- In total, net assets decreased $200,852, which represents a 48 percent decrease from 2005.
- Total assets decreased $48,148, which represents a 7.1 percent decrease from 2005.
- Liabilities increased $152,704, which represents a 58.6 percent increase from 2005.

Using this Financial Report

This report consists of two parts, the management's discussion and analysis and the basic financial 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.

Statement of Net Assets

The statement of net assets includes all assets and liabilities, both financial and capital and short-term and long-term, using the accrual basis of accounting and economic measurement resources focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

Table 1 provides a summary of the School's net assets for fiscal year 2006 compared to fiscal year 2005:

(Table 1)
Net Assets

	2006	2005	Change
Assets			
Current Assets	$579,559	$630,365	($50,806)
Capital Assets, Net	51,372	48,714	2,658
Total Assets	630,931	679,079	(48,148)
Liabilities			
Current Liabilities	305,535	160,212	145,323
Non-Current Liabilities	107,932	100,551	7,381
Total Liabilities	413,467	260,763	152,704
Net Assets			
Invested in Capital Assets	51,372	48,714	2,658
Restricted	25,674	55,674	(30,000)
Unrestricted	140,418	313,928	(173,510)
Total Net Assets	$217,464	$418,316	($200,852)

Total assets decreased $48,148. Cash and cash equivalents decreased by $78,958 from fiscal year 2005, due to an increase in expenses for benefits and purchased services. Total liabilities increased $152,704 due to intergovernmental payables increasing for a refund of State Foundation money received during fiscal year 2006. Unrestricted net assets decreased by $173,510 due to an increase in salaries, benefits, and contracted services of personnel, the most significant expenses of the school.

Table 2 shows the changes in net assets for fiscal year 2006 compared to fiscal year 2005.

(Table 2)
Change in Net Assets

	2006	2005	Change
Operating Revenues			
State Foundation	$2,080,322	$2,097,960	($17,638)
Poverty Bases Assistance	322,856	334,699	(11,843)
Miscellaneous	5,217	26,187	(20,970)
Total Operating Revenues	2,408,395	2,458,846	(50,451)
Non Operating Revenues			
Federal and State Grants	801,795	672,129	129,666
Gifts and Donations	20,030	10,130	9,900
Interest	10,240	10,829	(589)
Total Non-Operating Revenues	832,065	693,088	138,977
Total Revenues	3,240,460	3,151,934	88,526
Operating Expenses			
Salaries	1,943,239	1,953,873	(10,634)
Fringe Benefits	539,181	494,427	44,754
Purchased Services	678,694	496,136	182,558
Rent	151,093	164,829	(13,736)
Materials and Supplies	127,175	123,644	3,531
Depreciation	1,930	20,075	(18,145)
Total Operating Expenses	3,441,312	3,252,984	188,328
Non-Operating Expenses			
Loss on Disposal of Capital Assets		3,855	(3,855)
Total Expenses	3,441,312	3,256,839	$184,473
Change in Net Assets	(200,852)	(104,905)	
Net Assets at Beginning of Year	418,316	523,221	
Net Assets at End of Year	$217,464	$418,316	

There was an increase in revenues of $88,526 and an increase in expenses of $184,473 from 2005. Of the increase in revenues, federal and state grants increased by $129,666. This increase was due to additional Special Education (IDEA) and Title II – D Technology Grants received in fiscal year 2006.

Expenditures for purchased services increased by $182,558. These dollars were used for consultant contract services of staff professional development as well as other staff and student services. Although salaries were slightly less in fiscal year 2006 compared to fiscal year 2005, fringe benefits increased by 9.1%. This was due to a substantial increase in the cost of medical insurance.

Capital Assets

At the end of fiscal year 2006 the School had $51,372, invested in furniture and equipment which represented an increase of $2,658 due to additions for the year exceeding depreciation expense. Table 3 shows fiscal year 2006 and fiscal year 2005:

(Table 3)
Capital Assets at June 30, 2006
(Net of Depreciation)

	2006	2005
Furniture and Equipment	$51,372	$48,714

For more information on capital assets see Note 6 to the basic financial statements.

Debt Administration

The School does not have any outstanding debt at June 30, 2006.

Contacting the School's Financial Management

This financial report is designed to provide our citizen's with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information contact Phyllis Bixler, Treasurer at World of Wonder Accelerated Learning Community School, 4411 Oakridge Drive, Dayton, Ohio 45417 or e-mail at ww_treas@mdeca.org.

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WORLD OF WONDER ACCELERATED LEARNING COMMUNITY SCHOOL
MONTGOMERY COUNTY

STATEMENT OF NET ASSETS
JUNE 30, 2006

Assets:	
Current Assets:	
Cash and Cash Equivalents	$364,700
Intergovernmental Receivable	214,282
Accrued Interest Receivable	577
Total Current Assets	579,559
Non-Current Assets:	
Capital Assets:	
Depreciable Capital Assets, Net	51,372
Total Assets	630,931
Liabilities:	
Current Liabilities:	
Accounts Payable	70,722
Accrued Wages and Benefits Payable	68,867
Intergovernmental Payable	165,946
Total Current Liabilities	305,535
Non-Current Liabilities:	
Compensated Absences Payable	107,932
Total Liabilities	413,467
Net Assets:	
Invested in Capital Assets	51,372
Restricted for Other Purposes	25,674
Unrestricted	140,418
Total Net Assets	$217,464

See accompanying notes to the basic financial statements.

WORLD OF WONDER ACCELERATED LEARNING COMMUNITY SCHOOL
MONTGOMERY COUNTY

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Operating Revenues:	
State Foundation	$2,080,322
Poverty Based Assistance	322,856
Miscellaneous	5,217
Total Operating Revenues	2,408,395
Operating Expenses:	
Salaries	1,943,239
Fringe Benefits	539,181
Purchased Services	678,694
Rent	151,093
Materials and Supplies	127,175
Depreciation	1,930
Total Operating Expenses	3,441,312
Operating Loss	(1,032,917)
Non-Operating Revenues:	
Federal and State Grants	801,795
Gifts and Donations	20,030
Interest	10,240
Total Non-Operating Revenues	832,065
Change in Net Assets	(200,852)
Net Assets Beginning of Year	418,316
Net Assets End of Year	$217,464

See accompanying notes to the basic financial statements.

WORLD OF WONDER ACCELERATED LEARNING COMMUNITY SCHOOL
MONTGOMERY COUNTY

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows Used for Operating Activities:	
Cash Received from State of Ohio	$2,546,676
Cash Received from Miscellaneous Sources	6,520
Cash Payments to Employees for Services	(2,494,058)
Cash Payments to Suppliers for Goods and Services	(756,942)
Net Cash Used for Operating Activities	(697,804)
Cash Flows from Noncapital Financing Activities:	
Federal and State Grants Received	590,185
Gifts and Donations	21,253
Net Cash Provided by Noncapital Financing Activities	611,438
Cash Flows for Capital and Related Financing Activities:	
Acquisition of Capital Assets	(4,588)
Cash Flows from Investing Activities:	
Interest	11,996
Net Decrease in Cash and Cash Equivalents	(78,958)
Cash and Cash Equivalents at Beginning of Year	443,658
Cash and Cash Equivalents at End of Year	$364,700
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	($1,032,917)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	1,930
Federal and State Subsidies	179,126
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	1,353
Increase in Accounts Payable	16,748
Increase in Accrued Wages and Benefits	633
Increase in Intergovernmental Payable	152,543
Decrease in Matured Compensated Absences Payable	(24,601)
Increase in Compensated Absences Payable	7,381
Total Adjustments	335,113
Net Cash Used for Operating Activities	($697,804)

See accompanying notes to the basic financial statements.

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1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

The World of Wonder Accelerated Learning School ("the School") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of students in grades K through 6. 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 is a non-profit organization that has been determined by the Internal Revenue Service to be exempt from federal income taxes as a tax exempt organization under Section 501(C)(3) of the Internal Revenue Code. The School's tax exempt status will be affected due to the School becoming part of Dayton Public Schools on July 1, 2006.

The School was originally approved for operation under contract with the Dayton City School District (the Sponsor) for a period of originally three years commencing July l, 1999. The contract has been extended through June 30, 2006. 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 leases its building facilities from the sponsor and makes an annual lease payment of $151,093 (see Note 11). The School has an agreement with the sponsor for the School's food service program. The sponsor administers the program and receives reimbursement directly from the Ohio Department of Education for the Nutrition Cluster Federal Program. These amounts have been recorded as "Federal and State Grants" and "Purchased Services" in the accompanying financial statements.

The School operates under the direction of a six-member Governing Board. The 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.

The primary government of the School consists of one fund. Several departments provide general operations and student related activities of the School. The School is associated with the Metropolitan Dayton Education Cooperative Association, which is defined as a jointly governed organization. The association is a computer consortium of area schools sharing computer resources. (See Note 14)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis Of Presentation

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

The School uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net assets, financial positions and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

B. Measurement Focus

The accounting and financial reporting treatment of an entity's financial transactions is determined by the entity's measurement focus. The enterprise activity is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School are included on the statement of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net assets. The statement of cash flows provides information about how the School finances and meets the cash flow needs of its enterprise activity.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The School'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 School 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 School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

Expenses are recognized at the time they are incurred.

D. Cash and Cash Equivalents

The School maintains an interest and non-interest bearing depository accounts and a certificate of deposit. All funds of the School are maintained in these accounts. These accounts are presented on the statement of net assets as "Cash and Cash Equivalents." The School has no investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School maintains a capitalization threshold of one thousand dollars. The School does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Furniture and Equipment	5-30 years

F. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if employees' rights to receive compensation are attributable to services already rendered and it is probable that the School will compensate the employees for the benefits through paid time off or some other means. The School records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School's termination policy. The School records a liability for accumulated unused sick leave for employees with at least 15 years of service in one of the retirement systems for all positions (including certified and non-certified staff).

G. Net Assets

Net assets represent the difference between assets and liabilities. Net assets, invested in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The School has no debt. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net assets include federal and state grants restricted to expenditures for specific purposes. The School applies restricted resources when an expense is incurred for purposes which both restricted and unrestricted net assets are available.

The government-wide Statement of Net Assets reports $25,674 of restricted net assets, none of which is restricted by enabling legislation.

H. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities. For the School, these revenues are primarily foundation payments from the State and student fees. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the School. Revenues and expenses not meeting this definition are reported as non-operating.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Intergovernmental Revenues

The School currently participates in the State Foundation Program and the State Special Education Program. Revenues received from these programs are recognized as 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 when use is first permitted, matching requirements in which the School must provide local resources to be used for a specified purpose and expenditure requirements in which the resources are provided to the School on a reimbursement basis.

The amount of these grants is directly related to the number of students enrolled in the School. 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 schools are reporting accurate student enrollment data to the State, upon which State foundation funding is calculated. The review resulted in an over payment of $15,172 to the School.

The remaining grants and entitlements received by the School are recognized as non-operating revenues in the accounting period in which eligibility requirements have been met.

J. 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.

K. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the School and its sponsor. The contract agreement between the School and its sponsor does not prescribe a budgetary process for the School.

3. CHANGE IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2006, the School has implemented *GASB Statement No. 42*, *"Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries",* and *GASB Statement No. 47, "Accounting for Termination Benefits."*

GASB Statement No. 42 establishes accounting and financial reporting standards for the impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The implementation of this statement had no effect on the School's financial statements for fiscal year 2006.

GASB Statement No. 47 establishes accounting and financial reporting standards for termination benefits. This statement clarifies and establishes reporting requirements for those benefits provided by employers to employees as an incentive or settlement for voluntary early termination or as a consequence of the involuntary early termination of services. The implementation of this statement had no effect on School District's financial statements for 2006.

4. DEPOSITS

Custodial credit risk for deposits is the risk that in the event of bank failure, the School will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, $223,867 of the School's bank balance of $423,867 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution, but not in the School's name.

The School has no policy for custodial credit risk for deposits.

5. RECEIVABLES

Receivables at June 30, 2006, consisted of intergovernmental (Federal and State grants) and accrued interest. All receivables are considered collectible in full and will be received within one year. A summary of the principal items of intergovernmental receivables follows:

Title II-D	$1,946
IDEA	60,276
Title I	131,113
Title II-A	16,623
Drug Free	3,830
Title V	494
Total Intergovernmental Receivable	$214,282

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2006:

	Balance 6/30/05	Additions	Deletions	Balance 6/30/06
Capital Assets Being Depreciated				
Furniture and Equipment	$100,374	$4,588	$0	$104,962
Less Accumulated Depreciation:				
Furniture and Equipment	(51,660)	(1,930)	0	(53,590)
Total Capital Assets Being Depreciated, Net	$48,714	$2,658	$0	$51,372

7. RISK MANAGEMENT

A. Property and Liability

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2006, the School contracted with Fireman's Fund Insurance Company for property insurance and Selective Insurance Company for liability insurance. Buildings and contents carry a $2,500 deductible. Electronic data processing equipment carries a $1,000 deductible. Liability insurance is carried at $2,000,000 single occurrence and $4,000,000 aggregate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from last year.

7. RISK MANAGEMENT (Continued)

B. Workers' Compensation

The School pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying annual gross payroll by a factor calculated by the State.

8. DEFINED BENEFIT PENSION PLAN

A. School Employees Retirement System

The School contributes to the School Employees Retirement System (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, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, by calling (800) 878-5853 or by visiting the SERS website at www.ohsers.org.

Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute at an actuarially determined rate. The current School rate is 14 percent of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2006, 2005, and 2004, were $16,000, $19,025, and $16,573, respectively; 97.01 percent has been contributed for 2006 and 100 percent for fiscal years 2005 and 2004.

B. State Teachers Retirement System of Ohio

The School participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (614) 227-4090, or by visiting the STRS Ohio web site at www.strsoh.org.

8. DEFINED BENEFIT PENSION PLAN (Continued)

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 Ohio 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 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 Defined Benefit 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 Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2005, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School's required contributions for pension obligations to the STRS Ohio for the fiscal years ended June 30, 2006, 2005, and 2004, were $225,040, $228,366, and $206,274, respectively; 96.28 percent has been contributed for 2006 and 100 percent for fiscal years 2005 and 2004. Contributions to the DC and Combined Plans for fiscal year 2006 were $3,710 made by the School and $3,544 made by the plan members.

9. POSTEMPLOYEMENT BENEFITS

The School provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-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 on a pay-as-you-go basis.

9. POSTEMPLOYEMENT BENEFITS (Continued)

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the School, this amount equaled $17,311 for fiscal year 2006.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was $3.3 billion. For the fiscal year ended June 30, 2005, net health care costs paid by STRS Ohio were $254,780,000 and STRS Ohio had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, compared to 3.43 percent of covered payroll for 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 2006, the minimum pay was established at $35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2006 fiscal year, the School paid $9,831 to fund health care benefits, including the surcharge.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available) were $178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of $267.5 million. SERS has 58,123 participants eligible to receive health care benefits.

10. EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements of Dayton City School District, the sponsor, and State Laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Vacation days are credited to classified employees each month and must be used within the next twelve months. Vacation may be carried forward beyond June 30 only with the approval of the principal. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

10. EMPLOYEE BENEFITS (Continued)

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 250 days. Upon retirement, payment is made for one-fourth of the total accumulated and unused, up to a maximum accumulation of 180 days for teachers and administrators and 180 for classified employees. In addition, classified employees are subject to the following based on length of service:

Length of Service	Maximum Severance Payouts
Less than five years	0 days
Five years to 15 years	30 days
15 years to 25 years	35 days
Over 25 years	40 days

Professional staff members are eligible to accumulate sick days in a severance account once they have accumulated the maximum 250 days of sick leave. These excess days may not be used as sick leave days or "catastrophic illness" donations. Accumulated severance account days will be paid out at one-fourth of the accumulated balance, up to a maximum payout of 45 days, upon retirement.

B. Life and Accidental Death Benefits

The School provides life insurance and accidental death and dismemberment insurance to employees through American United Life Insurance Company.

C. Medical, Dental, and Vision Benefits

The School carries their medical insurance through a sub-contract with the Dayton City School District. The Board and full-time Professional Staff Members contribution to the monthly premium for medical insurance are 15% up to a cap of the following:

Single: $334 per month
Family: $853 per month

For fiscal year 2006 the annual cost of the Plan was $10,232 for family coverage and $4,007 for the single plan.

The School sub-contracts with Dayton City School District for dental benefits. The School pays 90% of the premium with the employee being responsible for the remaining 10%. The annual cost is $715 for family and $318 for single coverage.

11. OPERATING LEASE

The School leases a building and office facility from Dayton City Schools (the Sponsor), under a non-cancelable operating lease. The term of this lease commences July 12, 1999 and has been extended through June 30, 2006. The lease payment includes use of the buildings, the cost of utilities and maintenance, and custodial and grounds services. The lease payment was $151,093 for the fiscal year ended June 30, 2006.

12. LONG-TERM OBLIGATIONS

The changes in the School's long-term obligations during fiscal year 2006 were as follows:

Long-Term Obligation	Amount Outstanding 6/30/05	Additions	Deletions	Amount Outstanding 6/30/06
Compensated Absences	$100,551	$31,982	$24,601	$107,932

13. CONTINGENCIES

A. Grants

Amounts received from grantor agencies are subject to audit and adjustment by the Grantor. Any disallowed costs may require refunding to the grantor. Amounts, which may be disallowed, if any, are not presently determinable. However, in the opinion of the School, any such disallowed claims will not have a material adverse effect on the financial position of the school.

B. State Funding

The Ohio Department of Education conducts reviews of enrollment data and full time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data of the State, upon which state foundation funding is calculated. The School owed $15,172 due to the adjustment to foundation revenue which resulted in an adjustment in the fiscal year 2006 financial statements.

C. Litigation

A suit was filled in the US District Court, Southern District of Ohio, Western Division on October 6, 2004, which challenges the funding of charter schools under Equal Protection, Due Process, and claims violation of the right to vote on the bodies administering public schools. The case is still pending. The effect of this suit, if any, on the World of Wonder Accelerated Learning Community School is not presently determinable.

14. JOINTLY GOVERNED ORGANIZATION

Metropolitan Dayton Educational Cooperative Association - The School is a participant in the Metropolitan Dayton Educational Cooperative Association (MDECA) which is a computer consortium. MDECA is an association of public school districts within the boundaries of Montgomery, Miami and Darke Counties and the Cities of Dayton, Troy, and Greenville. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts.

The governing board of MDECA consists of seven Superintendents of member school districts, with six of the Superintendents elected by majority vote of all member school districts except Montgomery County Educational Service Center. The seventh Superintendent is from the Montgomery County Educational Service Center. The School paid MDECA $25,377 for services provided during the fiscal year. Financial information can be obtained from Jerry Woodyard, who serves as director, at 225 Linwood Street, Dayton, Ohio 45405.

15. PURCHASED SERVICES

For fiscal year 2006, purchased services expenses were payments for services by various vendors as follows:

Food Service	$179,036
Professional and Technical Services	380,874
Property Services	21,682
Contractual Services	57,860
Pupil Transportation	1,565
Communications	4,201
Travel and Meetings	4,559
Capital Outlay	28,917
Total Purchased Services	$678,694

16. SUBSEQUENT EVENTS

The community school contract was not renewed by its sponsor, Dayton City Schools. The School ceased to exist as of July 1, 2006 and merged with Dayton City Schools. WOW's foundation and federal funding will be paid to Dayton Public Schools and then allocated to WOW.

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WORLD OF WONDER ACCELERATED LEARNING COMMUNITY SCHOOL
MONTGOMERY COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
UNITED STATES DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education				
Title I Grants to Local Educational Agencies	C1-S1-04	84.010		$5,532
	C1-S1-05		$86,621	(10,398)
	C1-S1-06		130,924	201,429
	C1-SK-02			17,674
	C1-SK-05		8,000	(8,000)
	C1-SK-06			50,000
Total Title I Grants to Local Educational Agencies			225,545	256,237
Special Education Cluster:				
Special Education Grants to States	6B-SF-04	84.027		180
	6B-SF-05		53,745	40,372
	6B-SF-06		56,431	109,279
Total Special Education Grants to States			110,176	149,831
Special Education Preschool Grants	PG-S1-05	84.173	2,490	
	PG-S1-06		475	219
Total Special Education Preschool Grants			2,965	219
Total Special Education Cluster			113,141	150,050
Safe and Drug-Free Schools and Communities State Grants	DR-S1-05	84.186	2,848	463
	DR-S1-06		1,641	1,354
Total Safe and Drug-Free Schools and Communities State Grants			4,489	1,817
State Grants for Innovative Programs	C2-S1-05	84.298	696	2,294
	C2-S1-06		689	567
Total State Grants for Innovative Programs			1,385	2,861
Education Technology State Grants	TJ-S1-05	84.318		(2,227)
	TJ-S1-06		911	2,744
	TJ-SL-06		156,000	132,141
Total Education Technology State Grants			156,911	132,658
Improving Teacher Quality State Grants	TR-S1-05	84.367	16,649	5,170
	TR-S1-06		26,722	40,906
Total Improving Teacher Quality State Grants			43,371	46,076
Total United States Department of Education			544,842	589,699
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Montgomery County Education Service Center				
Medical Assistance Program	N/A	93.778	32	32
Total United States Department of Health and Human Services			32	32
Total Federal Assistance			**$544,874**	**$589,731**

See accompanying notes to the Schedule of Federal Awards Receipts and Expenditures.

FOR THE FISCAL YEAR ENDED JUNE 30, 2006
NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the School's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the School contribute non-Federal funds (matching funds) to support the Federally-funded programs. The School has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

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*

World of Wonder Accelerated Learning Community School
Montgomery County
4411 Oakridge Drive
Dayton, Ohio 45417

To the Governing Board:

We have audited the financial statements of the business-type activity of the World of Wonder Accelerated Learning Community School (the School) as of and for the year ended June 30, 2006, which collectively comprise the School's basic financial statements and have issued our report thereon dated February 6, 2007 wherein we noted that the School ceased operations as of June 30, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the School's management dated February 6, 2007, 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 School's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed 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 2006-001 through 2006-003. In a separate letter to the School's management dated February 6, 2007, we reported other matters related to noncompliance we deemed immaterial.

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www.auditor.state.oh.us

We intend this report solely for the information and use of the audit committee, management, Governing Board, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 6, 2007

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

World of Wonder Accelerated Community School
Montgomery County
4411 Oakridge Drive
Dayton, Ohio 45417

To the Governing Board:

Compliance

We have audited the compliance of the World of Wonder Accelerated Learning Community School (the School) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended June 30, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the School's major federal programs. The School's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School's compliance with those requirements.

In our opinion, the World of Wonder Accelerated Learning Community School complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2006. In a separate letter to the School's management dated February 6, 2007, we reported other matters related to federal noncompliance not requiring inclusion in this report.

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Internal Control Over Compliance

The School's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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 noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the School's management in a separate letter dated February 6, 2007.

We intend this report solely for the information and use of the audit committee, management, the Governing Board, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 6, 2007

WORLD OF WONDER ACCELERATED LEARNING COMMUNITY SCHOOL
MONTGOMERY COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unqualified
(d)(1)(ii)	**Were there any material control weakness conditions reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material internal control weakness conditions reported for major federal programs?**	No
(d)(1)(iv)	**Were there any other reportable internal control weakness conditions reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under § .510?**	No
(d)(1)(vii)	**Major Programs (list):**	Title I Grants to Local Educational Agencies CFDA # 84.010 *Special Education Cluster* Special Education Grants to State CFDA# 84.027 Special Education Preschool Grants CFDA# 84.173
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	No

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

FINDING NUMBER 2006-001

Finding For Recovery - Repaid During Audit – Academic Book Services, Inc.

The School bought 18 Horizon United States History books from Academic Book Services, Inc. on July 25, 2005 for a total cost of $769.50. The School made a payment in amount of $1,539 for these books from check number 22482, thus making an overpayment in the amount of $769.50.

In accordance with the foregoing facts, and according to **Ohio Rev. Code Section 117.28**, a finding for recovery for overpayment of public money is hereby issued against Phyllis Bixler, Treasurer; and her bonding company, The Cincinnati Insurance Company; and Academic Book Services, Inc. jointly and severally in the amount of seven hundred sixty nine dollars and fifty cents ($769.50) and in favor of the School's Title I Grant. A refund check was sent to the School on December 21, 2006 and deposited on January 16, 2007.

The School should institute procedures to provide that all contractors are paid in accordance with the Board approved rates and in the proper amounts. Additionally, voucher payments should be periodically reviewed by someone independent of the voucher process.

FINDING NUMBER 2006-002

Capital Assets

The School's Fixed Asset Policy as adopted by the Board on May 19, 2004 and modified on April 20, 2005 defined capital assets for GAAP reporting purposes as those tangible assets of the entity with a useful life in excess of five years and an initial cost equal to or exceeding $1,000.

The policy lists the following useful lives for various classes of capital assets:

Machinery/ Equipment	10-20 years
Furniture and Fixtures	20-30 years
Computers	5 years

The School used a useful life of 5 years for all capital assets including copiers and furniture. This resulted in the School over depreciating its capital assets by $17,851. An audit adjustment was required to correctly present the net value of capital assets on the financial statements. Procedures should be developed and implemented to verify that the School uses Board approved useful lives for depreciating capital assets. Failure to do so could result in inconsistencies in useful lives for capital assets and the School having fully depreciated capital assets on its books.

Additionally the School booked $2,294 of fiscal year 2005 capital asset additions in 2006. Procedures should be developed and implemented to verify that the School capitalizes all of its assets in the correct period. Failure to do so could result in the School not capitalizing all of its assets and/or the School carrying obsolete assets on its books.

FINDING NUMBER 2006-003

Ohio Rev. Code (ORC) Section 3314.074 establishes the order of the distribution of assets when a community school permanently closes and ceases operations. In addition, **ORC section 3314.015(e)** provides that the Ohio Department of Education (ODE) shall adopt procedures for use by a community school governing authority and sponsor when the school closes. In May, 2006 the ODE's Office of Community Schools (OCS) issued the required procedures listing the actions to be taken by community school's Governing Authority (GA), Sponsors, and the ODE when closing a community school. Such procedures include:

ACTIONS FOR THE GOVERNING AUTHORITY
Step 5 - Schedule a final Full-time Equivalency (FTE) review

Step 8 - Account for all school property throughout the closing process

Step 9 - Requires after the school has closed, to make disposition of school property (they shall):

a. Notify all other community schools and traditional public schools of the date of the sale;
b. Price items at fair market value
c. Federally purchased items (CCIP and grant purchased) need to be separately submitted to ODE, Office of Federal Programs and a request made regarding their dissemination(request to sell items to other schools towards debt satisfaction);
d. ETech (formerly known as Ohio SchoolNet) hardware and software must be returned to ETech to be redistributed per statutory requirements.

Step(s) 11 & 12 - requires the School to prepare and submit financials to the Auditor of State including the results of the property sale.

Step 13 – Utilize proceeds and foundation dollars and any other income to pay the following in the following order:

a. STRS/SERS/retirement and other adjustments;
b. Teachers and staff
c. Employment taxes and Federal taxes;
d. Audit preparation (prepare financials);
e. Private creditors;
f. State Treasury General Revenue Fund; and
g. Grant status with FERs and obligations

On June 30, 2006, the School ceased to operate as a Community School per World of Wonder (WOW) Board resolution approved June 21, 2006. Effective July 1, 2006, the School signed an agreement with Dayton Public Schools pursuant to Section 3302.07 (Innovative Education Pilot Programs) and/or Section 3314.20(C) (Alternative Structure-Site Based School) of the Ohio Revised Code to create a new school program in the Dayton Public School District. The School, however, failed to comply with ODE's guidance as noted above regarding disposition of school property, and all assets reverted to the Dayton Public School District. The School, however, maintained their autonomy, and continued to operate on their own and maintained their own books. At June 30, 2006 the School had $217,464 of net assets, which included $51,372 of capital assets net of accumulated depreciation. A June 30, 2006 review for full-time equivalency (FTE) was performed by ODE and a payable in the amount of $15,172 was booked to the Schools June 30, 2006 financial statements. The School had several capital assets purchased with federal funds.

The actions taken by the World of Wonder Accelerated Learning Community School were not in accordance with the guidelines issued by ODE for closing a community school. We recommend the School and/or Sponsor contact the ODE to rectify any outstanding items associated with the closing of the school and the noncompliance items listed above.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

WORLD OF WONDER ACCELERATED LEARNING COMMUNITY SCHOOL
MONTGOMERY COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2005 – 001	**Ohio Rev. Code Section 117.28** – Overpayment of severance to Judithann W. Whelley, repaid during the audit.	Yes	
2005 – 002	**Ohio Rev. Code Section 117.28** – Overpayment of severance to Marva M. Lee, repaid during the audit.	Yes	

Mary Taylor, CPA
Auditor of State

WORLD OF WONDER ACCELERATED LEARNING COMMUNITY SCHOOL

MONTGOMERY 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
JULY 10, 2007