



Mary Taylor, CPA
Auditor of State

**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

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Mary Taylor, CPA

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INDEPENDENT ACCOUNTANTS' REPORT

Cincinnati Speech and Reading Intervention Center
Hamilton County
1812 Central Parkway
Cincinnati, Ohio 45214

To the Board of Directors:

We have audited the accompanying basic financial statements of Cincinnati Speech and Reading Intervention Center, Hamilton County, Ohio (the School), as of and for the year ended June 30, 2008, 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 respective financial position of Cincinnati Speech and Reading Intervention Center, Hamilton County, Ohio as of June 30, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2010, 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 accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Mary Taylor, CPA
Auditor of State

April 29, 2010

Cincinnati Speech & Reading Intervention Center

Management's Discussion and Analysis

For the Year Ended June 30, 2008

(Unaudited)

The discussion and analysis of Cincinnati Speech & Reading Intervention Center's (the School) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2008. 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 the notes to the basic financial statements to enhance their understanding of the School's financial performance.

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

Financial Highlights

Key financial highlights for the Cincinnati Speech & Reading Intervention Center during fiscal year 2008 are as follows:

- Total net assets of the School increased \$122,680 in fiscal year 2008. Ending net assets of the School were \$264,840 compared with \$142,160 at June 30, 2007.
- Total assets increased \$120,994 from the prior year and total liabilities decreased by \$1,686 during this same 12 month period.
- The School's operating loss for fiscal year 2008 was \$210,311 compared with an operating loss of \$435,696 reported for the prior year. Total revenues increased by \$162,138 while operating expenses increased by \$97,557 over those reported for the prior year.

Using this Financial Report

This financial report contains the basic financial statements of the School, as well as the Management's Discussion and Analysis and Notes to the Basic Financial Statements. The basic financial statements include a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows. As the School reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentations information is the same.

Cincinnati Speech & Reading Intervention Center

Management's Discussion and Analysis

For the Year Ended June 30, 2008

(Unaudited)

Statement of Net Assets

The Statement of Net Assets answers the question, "How did we do financially during the fiscal year?" This statement includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic 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.

This statement reports the School's net assets; however, in evaluating the overall position and financial viability of the School, non-financial information such as the condition of the School's property and potential changes in the laws governing charter schools in the State of Ohio will also need to be evaluated.

Table 1 provides a summary of the School's net assets for fiscal year 2008 compared to those reported for fiscal year 2007.

Table 1
Net Assets

	<u>2008</u>	<u>2007</u>
Assets:		
Current assets	\$ 364,502	\$ 261,079
Capital Assets, Net	<u>66,113</u>	<u>48,542</u>
Total Assets	<u>430,615</u>	<u>309,621</u>
Liabilities		
Current liabilities	<u>165,775</u>	<u>167,461</u>
Total Liabilities	<u>165,775</u>	<u>167,461</u>
Net Assets:		
Invested in capital assets	66,113	48,542
Restricted	63,558	-
Unrestricted	<u>135,169</u>	<u>93,618</u>
Total Net Assets	<u>\$ 264,840</u>	<u>\$ 142,160</u>

The total assets of the School increased by \$120,994, which represents a 39.1 percent increase, from total assets reported for fiscal year 2007. The increase in assets was primarily a result of increased revenue from higher student enrollment. The current assets at the end of fiscal year 2008 were \$103,423 higher than the current assets balance at the end of fiscal year 2007.

Cincinnati Speech & Reading Intervention Center

Management's Discussion and Analysis

For the Year Ended June 30, 2008

(Unaudited)

Noncurrent assets increased by \$17,571 (36.2%) to \$66,113 during the 2008 fiscal year primarily due to new equipment purchases from Federal Start-up grant funds. Noncurrent financial assets for the School are comprised of capital assets, net of accumulated depreciation.

Total liabilities of the School decreased \$1,686 over those reported one year ago. The 60 percent decrease was primarily due to a decrease in intergovernmental payables (from \$77,884 in fiscal year 2007 to \$44,649 in fiscal year 2008).

The total net assets reported for fiscal year 2008 improved by \$122,680. Unrestricted net assets increased by \$41,551 to \$135,169 while restricted net assets increased by \$63,558. Net assets invested in capital assets, net of related debt, increased by \$17,571 to \$66,113.

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2008 as compared to changes reported for fiscal year 2007.

Table 2
Change in Net Assets

	2008	2007
Operating Revenues:		
Foundation Payments	\$ 1,276,335	\$ 1,022,328
Other Operating Revenue	69,072	137
Non Operating Revenues:		
State and Federal Grants	332,991	493,692
Interest Earnings	-	103
Total Revenues	<u>1,678,398</u>	<u>1,516,260</u>
Operating Expenses:		
Salaries & Wages	670,477	599,432
Fringe Benefits	161,694	139,250
Building Rent	59,347	28,366
Contracted Fiscal / Operations Services	97,085	-
Purchased Services	317,077	598,402
Materials and supplies	194,838	74,031
Depreciation	13,938	5,393
Other Operating Expenses	41,262	13,287
Non-Operating Expenses:		
Interest Expense	-	405
Total Expenses	<u>1,555,718</u>	<u>1,458,566</u>
Change in Net Assets	122,680	57,694
Net Assets, beginning of year	<u>142,160</u>	<u>84,466</u>
Net Assets, end of year	<u>\$ 264,840</u>	<u>\$ 142,160</u>

Cincinnati Speech & Reading Intervention Center

Management's Discussion and Analysis

For the Year Ended June 30, 2008

(Unaudited)

Total revenue increased \$162,138 for fiscal year 2008 compared with the prior fiscal year primarily due to the increased revenue from the Ohio Department of Education directly related to higher student enrollment compared to the previous fiscal year.

Expenses reported for fiscal year 2008 were \$97,152 higher than expenses reported for fiscal year 2007 primarily due to increases in staff salaries/benefits.

Capital Assets

At the end of fiscal year 2008, the School had \$66,113 invested in buildings, leasehold improvements, and furniture, fixtures and equipment. There was a total of \$31,509 in purchases which met the School's capitalization threshold of \$500 during the year. See Note 5 of the basic financial statements for additional details.

Debt

The School had no debt during the 2008 fiscal year.

Contacting the School

This financial report is designed to provide a general overview of the finances of the Cincinnati Speech & Reading Intervention Center and to show the School's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to the Treasurer of Cincinnati Speech & Reading Intervention Center, 6500 Poe Avenue, Suite 350, Dayton, Ohio 45414.

CINCINNATI SPEECH & READING INTERVENTION CENTER

STATEMENT OF NET ASSETS

AS OF JUNE 30, 2008

ASSETS:

Current assets:

Cash and cash equivalents	\$	222,985
Intergovernmental Receivable		72,445
Accounts Receivable		69,072
Total current assets		<u>364,502</u>

Noncurrent assets:

Capital assets, net of accumulated depreciation		<u>66,113</u>
Total noncurrent assets		<u>66,113</u>

Total assets 430,615

LIABILITIES:

Current liabilities:

Accounts payable		117,334
Accrued wages & benefits payable		1,628
Contracts payable		2,164
Intergovernmental payable		44,649
Total liabilities		<u>165,775</u>

NET ASSETS:

Invested in Capital Assets, net of related debt		66,113
Restricted for educational grants		63,558
Unrestricted		<u>135,169</u>
Total net assets	\$	<u><u>264,840</u></u>

See accompanying notes to the financial statements.

CINCINNATI SPEECH & READING INTERVENTION CENTER

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

OPERATING REVENUES:

Foundation payments	\$ 1,276,335
Miscellaneous revenue	<u>69,072</u>
Total operating revenues	<u>1,345,407</u>

OPERATING EXPENSES:

Salaries	670,477
Fringe Benefits	161,694
Building rental	59,347
Contractual fiscal services	97,085
Purchased services	317,077
Materials and supplies	194,838
Depreciation	13,938
Other	<u>41,262</u>
Total operating expenses	<u>1,555,718</u>

Operating Loss	<u>(210,311)</u>
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NON-OPERATING REVENUES AND EXPENSE:

Federal grant revenue	278,375
State grant revenue	<u>54,616</u>
Total non-operating revenues/expenses	<u>332,991</u>

Changes in net assets	122,680
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Net assets at beginning of year	<u>142,160</u>
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Net assets at end of year	<u><u>\$ 264,840</u></u>
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See accompanying notes to the financial statements.

CINCINNATI SPEECH & READING INTERVENTION CENTER

STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash Flows from Operating Activities:

Cash Received from State of Ohio	\$ 1,232,530
Cash Payments to suppliers for goods and services	(671,263)
Cash Payments to Employees for Services & Benefits	(828,398)
	<u>(828,398)</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(267,131)</u>

Cash Flows from Noncapital Financing Activities:

Operating Grants Received (Federal & State)	507,661
	<u>507,661</u>
<i>Net Cash Provided by (Used in) Noncapital Financing Activities</i>	<u>507,661</u>

Cash Flows from Capital and Related Financing Activities:

Payments for Capital Acquisitions	(31,509)
	<u>(31,509)</u>

<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	209,021
<i>Cash and Cash Equivalents Beginning of Year</i>	13,964
	<u>13,964</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>222,985</u></u>

Operating Loss	(210,311)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	13,938
(Increase) Decrease in Assets:	
Accounts Receivable	(69,072)
Increase (Decrease) in Liabilities:	
Accounts Payable	36,182
Accrued Wages	(6,797)
Contracts Payable	2,164
Intergovernmental Payable	(33,235)
	<u>(33,235)</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$ (267,131)</u>

See accompanying notes to the financial statements.

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**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

1. Description of the School and Reporting Entity

Cincinnati Speech and Reading Intervention Center (the School), is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of students in Kindergarten through grade 8. The School, which is part of the State's education program, is independent of any school district and is non sectarian 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 Thomas B. Fordham Foundation was the School's sponsor at the beginning of fiscal year 2008. The sponsorship of the School was transferred to the Educational Resources Consultants of Ohio (ERCO) in January 2008. 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 Board of Trustees (the 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 Board controls the School's instructional/support facility staffed by 11 non-certified and 11 certificated full time teaching personnel who provided services to 178 students during the 2007-2008 school year.

The School has entered into a service agreement with Mangen & Associates to provide certain financial, accounting services and business manager support services, including performing all duties required of the Treasurer of the School (Note 11).

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, 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. The more significant of the School's accounting policies are described below.

A. Basis of Presentation

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

**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Assets. The difference between total assets and liabilities are defined as net assets. The Statement of Revenues, Expenses and Changes in Net Assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Statement of Cash Flows provides information about how the School finances and meets the cash flow needs of its enterprise activities.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

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.

C. Budgetary Process

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

D. Cash and Cash Equivalents

All monies received by the School are maintained in a demand deposit account. For internal accounting purposes, the School segregates its cash into separate funds.

**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

E. Capital Assets

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School does not possess any infrastructure. The School maintains a capitalization threshold of \$500. Improvements are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimate Life</u>
Computers and Equipment	8 years
Leasehold Improvements	8 years

F. 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 these estimates.

G. Intergovernmental Revenues

The School is a participant in the State Foundation Program. The foundation funding is recognized as operating revenues in the accounting period in which they are earned, essentially the same as the fiscal year. Federal and state grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements of the grants have been met.

Intergovernmental revenues associated with the Foundation Program totaled \$1,276,335 and revenues associated with specific education grants from the state and federal governments totaled \$332,991 during fiscal year 2008.

H. Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly by the School's primary mission. For the School, operating revenues include revenues paid through the State Foundation Program. Operating expenses are necessary costs incurred to support the School's primary mission, including salaries, benefits, purchased services, materials and supplies and depreciation.

Non-operating revenues and expenses are those that are not generated directly by the School's primary mission. Various federal and state grants, interest earnings, if any, and payments made to the School by other instructional entities for use of the School's instructional staff comprise the non-operating revenues of the School. Interest and fiscal charges on outstanding obligations, as well as gain or loss on capital asset disposals, if any, comprise the non-operating expenses.

**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

I. Accrued Liabilities Payable

The School has recognized certain liabilities on its Statement of Net Assets relating to expenses, which are due but unpaid as of June 30, 2008, including:

Wages payable – salary payments made after year-end to instructional and support staff for services rendered prior to the end of June, but whose payroll continues into the summer months based on the fiscal year 2008 contract.

Intergovernmental payable – payment for the employer’s share of the retirement contribution, Medicare and Workers’ Compensation associated with services rendered during fiscal year 2008 that were paid in the subsequent fiscal year.

J. Federal Tax Exemption Status

According to the School’s Attorney, 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.

K. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation less any outstanding capital related debt. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net assets of the School at year-end represent unspent federal and state grant resources for specific instructional program. The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

3. Deposits and Investments

Custodial credit risk is the risk that in the event of bank failure, the School will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School.

The School had no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred and five percent of the deposits being secure.

**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

3. Deposits and Investments (Continued)

At June 30, 2008, the carrying amount of the School's deposits was \$222,985 and the bank balance was \$243,022. Of the bank deposits, \$100,000 were collateralized under FDIC insurance and the remaining \$122,985 were uncollateralized and uninsured. Although all statutory requirements for the deposit of public money had been followed, non-compliance with federal requirements could potentially subject the School to a successful claim by the FDIC.

4. Intergovernmental Receivables

All intergovernmental receivables are considered collectible in full due to the stable condition of State programs. A summary of the principal items of receivables at June 30, 2008 is as follows:

<u>Grants Receivables</u>	<u>Amount</u>
Federal/State Grants	\$72,445

5. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008 was as follows:

	<u>Balance</u> <u>6/30/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/08</u>
Capital Assets:				
Furniture and Equipment	\$ 53,935	\$ 31,509	\$ -	\$ 85,444
Less Accumulated Depreciation:				
Furniture and Equipment	<u>5,393</u>	<u>13,938</u>	<u>-</u>	<u>19,331</u>
Net Capital Assets	<u>\$ 48,542</u>	<u>\$ 17,571</u>	<u>\$ -</u>	<u>\$ 66,113</u>

6. 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 2008, the School obtained private insurance coverage for property and general liability insurance in corroboration with WEB DuBois Academy;

**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

6. Risk Management (Continued)

Collective coverage amounts are as follows:

Commercial Property (Coinsurance is 90%; \$1,000 deductible)	
Business Personal Property Included	\$2,733,210
Business Income & Extra Expense	\$430,000
General Liability:	
Per occurrence	\$1,000,000
Aggregate total	\$2,000,000
Employee Benefits Liability/Program:	
Each Employee (\$1,000 deductible for each employee)	\$1,000,000
Aggregate total	\$3,000,000
Employer's stop gap Liability:	
Per injury	\$1,000,000
Aggregate total	\$2,000,000
School Leaders Errors and Omissions Liability:	
Each Wrongful Act/Aggregate Limit (\$10,000 deductible)	\$1,000,000
Commercial Crime:	
Forgery and Alterations (\$500 deductible)	\$50,000
Public Employee Dishonesty, per Loss (\$1,000 deductible)	\$500,000
Vehicle Coverage:	
Combined Single Limit/Uninsured Motorist Liability (\$500/\$1,000 deductible)	\$1,000,000
Computer Equipment Blanket	\$202,734
Student Accident (\$500 deductible)	\$250,000

There was no significant reduction in coverage from the prior-year. Settlement amounts have not exceeded coverage amounts in each of the past three years.

B. Workers' Compensation

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

C. Employee Medical and Dental Benefits

The School carries their medical and dental insurance through United Health Care. The School pays 80% of medical and dental benefits for employees. The employee is responsible for the remainder of premiums. For fiscal year 2008 the annual cost of medical insurance is based on gender and age.

**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

7. Defined Benefit Pension Plans

A. School Employees Retirement System

The School contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under Forms and Publications.

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 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; at June 30, 2008, 9.16 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, 2008 and 2007 were \$29,608 and \$20,026 respectively; 100 percent has been contributed for all fiscal years.

B. State Teachers Retirement System

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 or by calling toll free (800) 227-7877, or by visiting STRS Ohio web-site at www.strsoh.org.

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.

**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

7. Defined Benefit Pension Plans (Continued)

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, 2008, plan members were required to contribute the statutory maximum of 10.0 percent of their annual covered salaries. The School was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% 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 STRS Ohio for the fiscal years ended June 30, 2008 and 2007 were \$69,442 and \$68,431 respectively; 100 percent has been contributed for all fiscal years.

8. Post-employment Benefits

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

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefits recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2008, the STRS Board allocated employer contributions equal to 1 percent of covered payroll was allocated to post employment health care for the prior three years. For the School, the STRS amounts allocated to post-employment health care for the fiscal years ended June 30, 2008 and 2007 was \$5,342 and \$5,264 respectively.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll-free (888) 227-7877.

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two post-employment benefit plans.

**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

8. Post-employment Benefits (Continued)

a. Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2008 was \$96.40; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2008, the actuarially required allocation was .66%. The School contributions for the year ended June 30, 2008 were \$2,013, which equaled the required contributions for the year.

b. Health Care Plan

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2007 (latest information currently available), the health care allocation was 3.32%. The actuarially required contribution (ARC), as of the December 31, 2006 annual valuation, was 11.50% of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. The School contributions for the years ended June 30, 2008 and 2007 were \$13,065 and \$6,474 respectively.

An Additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated accordingly to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2008, the minimum compensation level was established at \$35,800.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

8. Post-employment Benefits (Continued)

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll-free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Forms and Publications*.

9. Restricted Net Assets

At June 30, 2008 the School reported restricted net assets totaling \$63,558. The nature of the net asset restrictions are as follows:

State specific educational program grants	\$14,973
Federal specific educational program grants	<u>48,585</u>
Total	<u>\$63,558</u>

10. 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 at June 30, 2008.

B. State funding

The Ohio Department of Education conducts reviews of enrollment data and FTE calculations made by the schools. 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 results of this review could result in state funding being adjusted. This information was not available as of the date of this report. The School does not anticipate any material adjustments to state funding for fiscal year 2008 as a result of such review.

11. Contracted Fiscal Services

The School is a party to a fiscal services agreement with Mangen & Associates (M&A) School Resource Center, which is an education finance consulting company. The Agreement's term is for a twelve month period beginning July 1st and may be terminated by either party, with or without cause, by giving the other party ninety days written notice to terminate. The Agreement provides that M&A School Resource Center will perform the following functions for the School:

1. Standard Treasurer Services, including general ledger entries, basic record keeping required documents for state and federal governments, and basic accounting reports to Director and Board.
2. Basic Financial Management Services, including all of the functions in Standard Treasurer Services Package plus Financial Management Support Services, ongoing budgeting, accounting, purchasing, financial reporting, cash flow analysis, and resource call support.

**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

11. Contracted Fiscal Services (Continued)

3. Basic SIS/DASL/CSADM/EMIS Services, including setup, maintenance, and input of Student and Staff data directly into the EMIS subsystem. In addition, M&A will input all school provided attendance, classroom, test scores and all other required student information into the SIS/DASL system.

In addition, Mangen & Associates provides various business and operations support services to the School. The total fee paid to Mangen and Associates for all of these services during fiscal year 2008 was \$91,085.

The School also paid \$6,000 during the fiscal year 2008 on the remaining amount due under the prior year contracted fiscal services contracted with Keys to Improving Dayton Schools School Resource.

12. Other Purchased Services

During the fiscal year ended June 30, 2008, other purchased service expenses for services rendered by various vendors were as follows:

Professional and Technical Services	\$148,449
Property Services	53,550
Communications	14,798
Utilities	21,746
Contracted Craft or Trade Services	76,937
Pupil Transportation	797
Other	<u>800</u>
Total Purchased Services	<u>\$317,077</u>

13. Noncompliance

Contrary to Ohio law, available data was not sufficient to prove that students were withdrawn from school once the student had missed 105 consecutive hours of school without a legitimate excuse. This resulted in the School being overfunded for certain students and Findings for Recovery were issued for the overfunded amount.

The School made payments on behalf of WEB Dubois to two outside vendors based upon verbal agreements (as opposed to written agreements) to support the lease payments.

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Mary Taylor, CPA

Auditor of State

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

Cincinnati Speech and Reading Intervention Center
Hamilton County
1812 Central Parkway
Cincinnati, Ohio 45214

To the Board of Directors:

We have audited the financial statements of the Cincinnati Speech and Reading Intervention Center, Hamilton County, Ohio (the School), as of and for the year ended June 30, 2008, and have issued our report thereon dated April 29, 2010. 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 as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the School's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the School's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain internal control matters that we reported to the School's management in a separate letter dated April 29, 2010.

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 2008-001, 2008-002 and 2008-003.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the School's management in a separate letter dated April 29, 2010.

The School's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the School's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

April 29, 2010

**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2008**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2008-001

Finding for Recovery

Ohio Rev. Code, Section 3314.03(A)(6)(b), requires that the governing authority adopt an attendance policy that includes a procedure for automatically withdrawing a student from the school if the student without a legitimate excuse fails to participate in 105 consecutive hours of the learning opportunities offered to the student. During 2007-2008 school year the School offered 10 hours of instruction per day; therefore, a student could not have missed more than 11 consecutive non-excused days before being considered withdrawn from the school.

School management is responsible for accurately entering and maintaining student information in the CSADM database. The student files maintained by the School should substantiate the date a student withdraws from the School. When a student withdraws from the School the student file should be updated with a withdrawal form to support the withdrawal date. Because information was not provided for audit, additional procedures were performed over student attendance and the following exceptions were noted:

- No enrollment forms were presented for audit specifically enrolling students in Cincinnati Speech and Reading Intervention Center, for eight of the 40 students (20%) tested; however, for all eight exceptions we did find enrollment forms indicating student enrollment in WEB DuBois Academy (a related school).
- For the 23 students tested who were withdrawn during the school year, no student withdrawal form(s) were presented for audit for 21 of the 23 students (91%).
- Student files were incomplete. For 21 of the 40 student files (53%) tested, a copy of the student's birth certificate and/or social security card were not on file.

While the School's available student attendance records were incomplete, we expanded our testing and performed alternative procedures. We determined that 9 students reflected on the CSADM Report submitted to ODE for funding should have been withdrawn from the School, and funding from ODE should have ceased prior to the date reflected on the CSADM report.

Of the nine students identified:

- Three student should have been withdrawn about one month earlier;
- One student should have been withdrawn two to four weeks earlier;
- Three students should have been withdrawn one to two weeks earlier; and,
- Two students should have been withdrawn less than one week earlier.

For the nine students deemed to be overfunded, the number of days overfunded ranged from three to 36 days. The total number of days overfunded for all students combined totaled 150 days.

**FINDING NUMBER 2008-001
(Continued)**

For fiscal year 2008, ODE provided a base amount and a cost of doing business factor for weighted foundation amount for each student in attendance at the School totaling \$5,614.42. We divided the ODE funding amount by the maximum 1,800 hours of learning opportunities eligible for funding times 10 hours of instruction provided per day to arrive at a daily FTE unit rate per student of \$31.19. We multiplied the combined unallowable 150 days by the daily FTE unit rate of \$31.19 ($\$5,614.42/1,800 \text{ hours} * 10 \text{ hours per day} = \31.19) to calculate ODE's overpayment to the School of \$4,678.50 ($\$31.19 * 150 \text{ days} = \$4,678.50$).

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Cincinnati Speech and Reading Intervention Center for public money illegally expended in the amount of \$4,678 and in favor of the Ohio Department of Education.

Of the nine students indicated above the School improperly received base foundation funding totaling \$4,678. Due to the complex nature of calculating the special education foundation payment amount, we will refer the calculation of the special education overpayment amount to ODE for calculation.

Officials' Response:

After being notified by the Auditors, the School established additional control procedures to monitor the CSADM/SOES database and to ensure students are withdrawn after 105 consecutive hours of absences from the School.

FINDING NUMBER 2008-002

Finding for Recovery

The lease agreement between **Equal Playing Field Corporation doing business as WEB DuBois Academy ("Lessee") and Knowlton Terminals, Inc. ("Lessor") Article 13 Assignment or Subletting** states that "Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber all or any part of Lessee's interest in this Lease or in the Demised Premises without the prior written consent of the Lessor, not to be unreasonably withheld."

During fiscal year 2008, WEB DuBois Academy received invoices from Knowlton Terminals for lease payments totaling \$59,346.80. WEB DuBois Academy submitted the invoices to Cincinnati Speech and Reading Intervention Center for payment to Knowlton Terminals on WEB DuBois Academy's behalf. There was no service agreement, lease or sublease, or other written agreement in place between the Cincinnati Speech and Reading Intervention Center and WEB DuBois Academy related to lease payments. The Cincinnati Speech and Reading Intervention Center made these lease payments on behalf of WEB DuBois Academy totaling \$59,346 directly to Knowlton Terminals even though there was no written agreement between the two schools related to this expense.

In accordance with the foregoing facts, a Finding for Recovery for public money illegally expended is hereby issued against WEB DuBois Academy for \$59,346 and in favor of the Cincinnati Speech and Reading Intervention Center General Fund.

Officials Response:

The modifications to this lease agreement were confirmed by a verbal understanding among all involved parties. An additional review process has been implemented by the School to ensure future lease and services agreements are written in a manner consistent with the intent of all involved parties.

FINDING NUMBER 2008-003

Finding for Recovery

The lease agreement between **Equal Playing Field Corporation doing business as WEB DuBois Academy (“Lessee”) and Knowlton Terminals, Inc. (“Lessor”) Article 6 Care, Repair, Alterations** states that “Lessee covenants and agrees that it will, during the term of this Lease, at its own expense, keep and maintain the Demised Premises. Lessee may, at its own cost and expense, from time to time during the term of this Lease, make alterations, additions and changes, structural and otherwise, in and to the Demised Premises as it finds necessary or convenient for its purposes.”

There was no service agreement, or other written agreement in place between Cincinnati Speech and Reading Intervention Center (CSR) and WEB DuBois Academy requiring CSR to pay for these costs.

During fiscal year 2008, WEB DuBois Academy received invoices from HGC Construction Company for work performed on school property totaling \$73,849 which they submitted to Cincinnati Speech and Reading Intervention Center for payment. The Cincinnati Speech and Reading Intervention Center made these payments on behalf of WEB DuBois Academy totaling \$73,849 directly to HGC Construction Company even though there was no written agreement between the two schools related to this expense. Furthermore, all invoices paid by Cincinnati Speech and Reading Intervention Center listed WEB DuBois Academy as the party responsible for payment.

In accordance with the foregoing facts, a Finding for Recovery for public money illegally expended is hereby issued against WEB DuBois Academy for \$73,849 and in favor of the Cincinnati Speech and Reading Intervention Center General Fund.

Officials Response:

The modifications to this lease agreement were confirmed by a verbal understanding among all involved parties. An additional review process has been implemented by the School to ensure future lease and services agreements are written in a manner consistent with the intent of all involved parties.

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**CINCINNATI SPEECH AND READING INTERVENTION CENTER
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Finding for Recovery – against the school regarding student funding.	No	Repeated as Finding 2008-001 Not repaid as of May 4, 2010

Note: The report that contained the findings above for the year ended June 30, 2007 was issued at the same time as this report. Therefore, many of the comments could not be addressed prior to the issuance of this report.



Mary Taylor, CPA
Auditor of State

CINCINNATI SPEECH AND READING INTERVENTION CENTER

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 1, 2010**