



Dave Yost • Auditor of State



**LIBERTY EARLY ACADEMIC RESOURCE NEST ACADEMY  
TRUMBULL COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Liberty Early Academic Resource Nest Academy  
Trumbull County  
326 E. Main Street  
Ravenna, Ohio 44266

Portage County Educational Service Center  
Spectrum Office Tower  
326 E. Main Street  
Ravenna, Ohio 44266

To Liberty Early Academic Resource Nest Academy and the Sponsor:

We have selectively tested certain accounts, financial records, files, and reports of the Liberty Academic Resource Nest Academy, Trumbull County, Ohio (LEARN), (the "Academy") as of and for the year ended June 30, 2012, following Ohio Administrative Code Section 117-4-02.

Management did not provide a written representation letter. The Academy did not present financial statements and notes in accordance with generally accepted accounting principles, and did not prepare Management's Discussion and Analysis.

There are reportable findings and conditions as a result of performing these procedures. Our reportable findings and conditions follow the financial presentation. Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, and we express no opinion on them.

On September 7, 2011 the Governing Board voted to settle financially with its sponsor, the Liberty Local School District. The Sponsor withdrew sponsorship as part of the settlement, relieving the Sponsor of State mandated closing obligations. On September 15, 2011 the Portage County Educational Service Center became the Sponsor of the Academy. On October 14, 2011 the Academy suspended operations.

This report is intended solely for the information and use of officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

April 14, 2014

LIBERTY EARLY ACADEMIC RESOURCE NEST ACADEMY  
TRUMBULL COUNTY

STATEMENT OF CASH BANK BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Amount</u>
Cash Bank Balance July 1, 2011	<u>\$11,247</u>
Cash Bank Balance June 30, 2012	<u>\$23,196</u>

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# Dave Yost • Auditor of State

## ACCOUNTANT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

Liberty Early Academic Resource Nest Academy  
Trumbull County  
326 E. Main Street  
Ravenna, Ohio 44266

Portage County Educational Service Center  
Spectrum Office Tower  
326 E. Main Street  
Ravenna, Ohio 44266

To the Liberty Early Academic Resource Nest Academy and the Sponsor:

We have selectively tested certain accounts, financial records, files, and reports of Liberty Early Academic Resource Nest Academy, Trumbull County, Ohio (LEARN), (the "Academy"), as of and for the year ended June 30, 2012, following Ohio Administrative Code Section 117-4-02. We noted Management did not provide a written representation letter. The Academy did not present financial statements and notes in accordance with generally accepted accounting principles, or prepare Management's Discussion and Analysis. Additionally, the Governing Board voted to settle financially with its sponsor, the Liberty Local School District. The settlement was made on September 7, 2011. On September 15, 2011 the Portage County Educational Service Center became the Sponsor of the Academy. On October 14, 2011 the Academy suspended operations.

Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, internal control over financial reporting, or compliance. We, therefore, express no opinion on these matters.

### Internal Control Over Financial Reporting

During our procedures related to the internal control over financial reporting we noted matters that, in our opinion, may have adversely affected the Academy's ability to record, process, summarize, and report financial data consistent with assertions in the financial statements. In addition, these matters could result in the occurrence of misstatements that are caused by error or fraud that would not be detected in a timely manner by employees when performing the assigned functions. These matters are described in the Schedule of Findings as items 2012-002 through 2012-004, 2012-009, 2012-011 and 2012-012.

### Compliance and Other Matters

We have tested compliance with certain provisions of laws, regulations, contract, and grant agreements applicable to the Academy. Noncompliance with these requirements could impact the Academy's ability to determine financial statement amounts. The results of our tests disclosed instances of noncompliance or other matters that are reported in the accompanying Schedule of Findings as items 2012-001, 2012-003 through 2012-008, 2012-010, and 2012-013.

We intend this report solely for the information and use of officials authorized to receive this report under Section 117.26, Ohio Revised Code, and it is not intended to be and should not be used by anyone other than these specified parties.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

April 14, 2014

**LIBERTY EARLY ACADEMIC RESOURCE NEST ACADEMY  
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2012**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2012-001**

**Noncompliance – Annual Financial Report**

**Ohio Revised Code Section 117.38** provides that each public office shall file a financial report for each fiscal year. The report shall be certified by the proper officer or Board and filed with the Auditor of State within one hundred fifty days of the end of the fiscal year if GAAP statements are filed. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. In part this report shall contain the amounts due from each source and amount of expenditures for each purpose.

**Ohio Administrative Code Section 117-2-03 (B)** further clarifies the filing requirement of Ohio Revised Code Section 117.38. This section requires that all community schools file annual financial reports which are prepared using generally accepted accounting principles. Generally accepted accounting principles (GAAP) require the following:

- Management's Discussion and Analysis;
- Balance sheet as prescribed by GAAP standards;
- Income and expense statement as prescribed by GAAP standards;
- Cash flow statement as prescribed by GAAP standards; and
- Notes to the financial statements as prescribed by GAAP standards.

The Academy did not file the June 30, 2012 financial report, which is required to be filed no later than November 30, 2012.

In addition, Ohio Revised Code Section 117.38 provides, in part, that "at the time the report is filed with the Auditor of State, the chief fiscal officer, except as otherwise provided in Section 319.11 of the Ohio Revised Code shall publish notice in a newspaper published in the political subdivision or taxing district, and if there is no such newspaper, then in a newspaper of general circulation in the political subdivision or taxing district. The notice shall state the financial report has been completed by the public office and is available for public inspection at the officer of the chief fiscal officer."

No evidence was provided, by the Academy, that this required notice was published. This may prevent the public from being aware of the transparency available in the Academy. By not filing their financial reports and annual notice, the Academy is not fulfilling their duties of accountability and transparency to the public.

**FINDING NUMBER 2012-002**

**Material Weakness - Check Management**

We identified the following problems with the Academy's management of checks:

- excessive use of manual checks;
- multiple breaks in check sequence due to voided checks;
- multiple check sequences were used during the audit period; and
- none of the Academy's checks were posted to the accounting system during the audit period.

**LIBERTY EARLY ACADEMIC RESOURCE NEST ACADEMY  
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2012**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**(Continued)**

**FINDING NUMBER 2012-002  
(Continued)**

These errors may lead to items not properly accounted for on the Academy's cash reconciliations, resulting in the inability to reconcile. Moreover, the inability to reconcile affects the determination of a proper cutoff of cash when preparing annual financial statements.

**FINDING NUMBER 2012-003**

**Noncompliance and Material Weakness - Condition of Accounting Records**

Ohio Administrative Code Section 117-2-02(A) provides that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply,) document compliance with finance related legal and contractual requirements and prepare financial statement required by rule 117-2-03 of the Administrative Code.

Management is responsible for implementing and maintaining a system of controls designed to enable management to determine the accuracy of financial transactions of the Academy. Also, management is responsible for developing and maintaining complete and accurate financial records.

During our testing of the Academy's receipt and disbursement cycles, we noted the following errors and irregularities related to the Academy's records:

- GAAP financial statements (including notes to the financial statements and management's discussion and analysis) were not prepared for the audit period;
- Capital asset records were not maintained;
- The Academy has not developed and implemented procedures to record capital asset additions when purchased and deletions when disposed of throughout the year;
- There was no evidence the Board approved expenditures prior to being made, nor did they review the expenditures after they were made to ensure they were accurately recorded, necessary and for a proper public purpose;
- No one independent of the purchasing process reviewed the activity to ensure the accuracy, appropriateness, or allowability of the expenditure;
- No evidence of the Board's or management's monitoring controls over the monthly and annual financial statements; the revenue and expenditures internal control process; the compliance with grant agreements for federal and state grants; ensuring that an adequate segregation of duties exists; and review of the monthly bank reconciliations;
- The Academy did not provide any receipt or disbursement ledgers for the audit period, since revenues and expenditures were not posted to the system;
- The Academy did not maintain the supporting documentation for student full-time equivalencies reported to the Ohio Department of Education;
- The Academy did not provide the Treasurer's contract covering the audit period;
- The Academy did not provide a Treasurer's bond for the Acting Treasurer;
- The Academy did not provide any personnel records.
- The Academy did not provide a formal policy governing the use of credit cards;
- The Academy did not provide a formal policy governing the reimbursement of travel expenses.

**LIBERTY EARLY ACADEMIC RESOURCE NEST ACADEMY  
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2012**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**(Continued)**

**FINDING NUMBER 2012-003  
(Continued)**

Failure to maintain records to support the financial statements impedes management's ability to make informed decisions as well as provide for the integrity of the Academy's financial statements and related assets.

**FINDING NUMBER 2012-004**

**Noncompliance and Material Weakness - Records Retention**

**Ohio Revised Code 149.351(A)** provides, in pertinent part, that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Sections 149.38 to 149.42 of the Revised Code.

**Ohio Revised Code Section 149.011(G)** defines "records" for purposes of the public records law, as any document, device, or item, regardless of physical form or characteristic, including an electronic record as defined in section 1306 of the Revised Code, created, received by, or coming under the jurisdiction of any public office which serves to document the organization, functions, policies, decisions, procedures, operations, or other activities of the public office.

During the audit period, seven instances were noted where vendor payments were not supported with adequate documentation to substantiate the purpose of the expenditures.

Also, during the audit period, six deductions were made from the Academy's bank account through withdrawals or debit card payments to certain vendors. However, the Academy did not maintain any supporting documentation as to the purpose of such withdrawals or debit card payments. The Academy does not have a records retention policy.

Failure to maintain copies of vouchers and supporting documentation increases the likelihood the Academy will pay an invoice more than once or will pay an amount that is incorrect or not for a proper public purpose. This also limits the ability of the Academy management to reconstruct historical transactions.

**FINDING NUMBER 2012-005**

**Noncompliance - Finding For Recovery - Unsupported Expenditures - Fiscal Officer**

*State ex rel. McClure v. Hagerman*, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a proper public purpose. Typically the determination of what constitutes a proper "public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may only have a prospective effect.

Auditor of State Bulletin 2003-005, *Expenditure of Public Funds/Proper "Public Purpose"*, provides that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

**LIBERTY EARLY ACADEMIC RESOURCE NEST ACADEMY  
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2012**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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(Continued)

**FINDING NUMBER 2012-005  
(Continued)**

During the 2011-2012 school year, LEARN Academy issued seven checks, five debit card expenditures, and one withdrawal to various vendors for which there was no additional supporting documentation on file, proper approval of the Governing Board could not be verified, and the purpose or necessity for the expenditure was not documented. This missing documentation should have included invoices, receipts or bills, as well as other documentation supporting the payment. These payments are detailed below.

Check Number	Unsupported Amount	Vendor Name
1127	\$533	Tracey Obermiyer
1132	1,508	Ceridian
1134	166	Youngs Auction Service
1138	148	Summit County Public Health
1139	550	First Apostolic Church
1141	826	Tracey Obermiyer
1149	707	All Service Moving and Storage
<b>Total</b>	<b>\$4,438</b>	

Transaction Date	Transaction Type	Unsupported Amount	Bank Statement Description - Payee
9/8/2011	Debit Card	\$116	POS Withdrawal - Staples
9/22/2011	Debit Card	228	POS Withdrawal - The Post Newspapers
9/28/2011	Debit Card	228	POS Withdrawal - The Post Newspapers
10/5/2011	Debit Card	228	POS Withdrawal - The Post Newspapers
2/13/2012	Debit Card	13	POS Withdrawal - EIG Start Logic
2/22/2012	Withdrawal	8,337	Withdrawal - Cashier's Check - Various Payees
<b>Total</b>		<b>\$9,150</b>	

Without appropriate documentation, it is not possible to determine if expenditures were made for a proper public purpose. The failure to maintain adequate support for expenditures could result in a loss of accountability over the Academy's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

The checks and debit card expenditures in question were signed or authorized by Tracey Obermiyer, Fiscal Officer.

**LIBERTY EARLY ACADEMIC RESOURCE NEST ACADEMY  
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2012**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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(Continued)

**FINDING NUMBER 2012-005**

(Continued)

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

In accordance with the foregoing facts, and pursuant to Section 117.28 of the Ohio Revised Code, a finding for recovery of public money illegally expended is hereby issued against Tracey Obermiyer in the amount of \$13,588 and in favor of LEARN Academy.

**FINDING NUMBER 2012-006**

**Noncompliance - Public Notification Of Board Meetings**

**Ohio Revised Code Section 121.22 (F)** provides that every public body, by rule, shall establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings. A public body shall not hold a special meeting unless it gives at least twenty-four hours' advance notice to the news media, except in the event of an emergency requiring immediate official action. In the event of an emergency, the member or members calling the meeting shall notify the news media that have requested immediate notification.

It is the responsibility of the governing board to oversee the Academy's operation and make decisions to ensure the entity's goals and objectives are complete. The Board minutes represent the official record of the Academy's events and resolutions passed by the Board.

The Board should stay informed of financial matters throughout the fiscal year. During the audit, we noted the following items:

- The Board minutes were in disarray and were not readily available for public inspection. We were unable to determine whether the minutes of the legislative or other bodies and committee meetings provided for audit were complete;
- We were unable to determine if the meetings were properly advertised.

The Academy did not have procedures in place to ensure compliance with the requirement identified above.

**LIBERTY EARLY ACADEMIC RESOURCE NEST ACADEMY  
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2012**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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(Continued)

**FINDING NUMBER 2012-007**

**Noncompliance - Rubber Stamp**

**Ohio Revised Code Section 9.10** does not authorize the use of a rubber stamp signature by the official or authorized employee referred to in Section 9.11 of the Revised Code on the face of any instrument mentioned in such section.

The Academy uses a rubber stamp for signatures on manual checks.

The existence of a rubber stamp provides unauthorized users the ability to sign checks and to circumvent the segregation of duties control.

**FINDING NUMBER 2012-008**

**Noncompliance - Education Information Management System (EMIS)**

**Ohio Revised Code Section 3314.17(A)** requires community schools follow the requirements of Ohio Revised Code Section 3301.0714. ORC 3301.0714 provides for the Ohio Department of Education (ODE) to establish guidelines for a statewide Education Management Information System (EMIS). In response to the legislative mandate, ODE adopted the rule for school district requiring the development and implementation of a stateside EMIS. Each school district must periodically collect and report the required information to the ODE, as required by the EMIS manual. The requirements of Ohio Revised Code 3301.0714 consists of the following:

Subsection (A) prescribes:

- Standards identifying and defining the type of data in the system;
- Procedures for annually collecting and reporting the data;
- Procedures for annually compiling the data;
- Procedures for annually reporting the data to the general public;

Subsection (B) prescribes:

- Guidelines outlining what information should be maintained in the system;

Subsection (C) prescribes:

- That education management information shall include cost accounting data for each district as a whole and by building;

Subsection (D) prescribes:

- Guidelines which require information about individual students, staff members, or both;

Subsection (E) prescribes:

- Guidelines which describe any and all special reports which may be required.

The Academy did not maintain accurate Education Management Information System (EMIS) data. As a result, the information was not readily available for review by outside agencies.



LIBERTY EARLY ACADEMIC RESOURCE NEST ACADEMY  
TRUMBULL COUNTY

SCHEDULE OF FINDINGS  
JUNE 30, 2012

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

(Continued)

FINDING NUMBER 2012-009

**Material Weakness - Reconciling Bank Accounts**

Records and documentation for monthly reconciliations for the fiscal year were not presented for audit. There was no evidence that monthly or periodic bank reconciliations were performed by Academy officials.

Failure to perform monthly bank reconciliations increases the likelihood that errors or omissions could occur in the financial statements and unauthorized activity will not be detected by Academy management.

FINDING NUMBER 2012-010

**Noncompliance - Public Official's Bond**

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

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

The Academy did not provide evidence of a bond for the Fiscal Officer. Additionally, the Board did not approve the bond amount. This could result in the bond amount being inadequate and the Academy assuming unnecessary liability.

FINDING NUMBER 2012-011

**Material Weakness - Board Monitoring of Financial Reports**

Financial reports of the Academy's activities are important resources to help keep the Board informed of the Academy's financial status and to aid in making financial decisions in the best interest of the Academy.

For fiscal year 2012, we noted that the Board approved a "Financial Report" at its regular meetings, but the Academy provided no evidence as to which reports were included within this "Financial Report".

Financial information should be presented at each regular meeting and the minutes reflect the Board review and acceptance of this financial information.

**LIBERTY EARLY ACADEMIC RESOURCE NEST ACADEMY  
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2012**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**(Continued)**

**FINDING NUMBER 2012-011**

**(Continued)**

The financial information submitted for review and approval should include some of the following data and any other reports that Board deems necessary:

- A listing of bills to be paid which includes the warrant number;
- Total revenue received and disbursements paid for the month;
- A comparison of actual revenue versus estimated revenue year to date;
- A comparison of actual expenditures versus budgeted expenditures year to date;
- A copy of the monthly bank reconciliations;
- A fund balance report.

This may help keep the Board informed of the financial status of the Academy, aid in monitoring the finances, and help in making financial decisions.

**FINDING NUMBER 2012-012**

**Material Weakness – Lack of Management Representation**

AICPA Codification of Auditing Standards (AU) section 333 states that the auditor should obtain written representations from current management on all periods covered in the audit report. An auditor should obtain representations from those members of management with overall responsibility for financial and operating matters whom the auditor believes are responsible for and knowledgeable about, directly or through other in the organization, the matters covered by the representations.

AU section 333 further states that management's refusal to furnish written representations constitutes a limitation on the scope of the audit sufficient to preclude an unqualified opinion and is ordinarily sufficient to cause an auditor to disclaim an opinion or withdraw from the engagement.

Management was not willing to provide representation. The Academy suspended operations on October 14, 2011.

Therefore based on management's refusal to provide written representations in connection with the audit of the financial statements we disclaimed an opinion on the financial statements.

**LIBERTY EARLY ACADEMIC RESOURCE NEST ACADEMY  
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2012**

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

**(Continued)**

**FINDING NUMBER 2012-013**

**Noncompliance – Liability Insurance**

Ohio Revised Code Section 3314.03(11)(b) states that the governing authority of each community school must purchase liability insurance, or otherwise provide for the potential liability of the Academy. Additionally the sponsor contract requires that comprehensive general liability insurance should be maintained at all times and the liability insurance must have amounts no less than one million dollars per occurrence and three million in the aggregate.

The Academy did not provide proof of general liability insurance purchased.

**Official's Response:**

There was no official response provided by the Academy.

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**LIBERTY EARLY ACADEMIC RESOURCE NEST ACADEMY  
TRUMBULL COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
2011-001	Annual Financial Report not filed	No	2012-001
2011-002	Deposits of public money was not timely	N/A	No money received in 2012
2011-003	Records Retention, supporting documents were not retained	No	2012-004
2011-004	No evidence of bank reconciliations	No	2012-009
2011-005	Unauthorized payroll FFR	No	Not collected
2011-006	Public Official's Bond not presented	No	2012-010
2011-007	Expenses lacking proper documentation – FFR	No	2012-005
2011-008	Check management, many manual and voided checks, sequence was not proper	No	2012-002
2011-009	There was no evidence as to reports provided the Board titled financial reports	No	2012-011
2011-010	No Representation letter provided	No	2012-012
2011-011	No annual report of activities prepared	N/A	School activities suspended
2011-012	Condition of Accounting Records	No	2012-003
2011-013	Lack of Liability Insurance	No	2012-013
2011-014	Use of Rubber Stamp	No	2012-007
2011-015	No Public Meetings Notification	No	2012-006

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# Dave Yost • Auditor of State

**LIBERTY EARLY ACADEMIC RESOURCE NEST ACADEMY**

**TRUMBULL 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  
MAY 8, 2014**