



**Mary Taylor, CPA**  
Auditor of State



HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY

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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*

HOPE Academy University Campus  
Summit County  
107 S. Arlington St.  
Akron, Ohio 44306

To the Board of Directors:

We have audited the financial statements of HOPE Academy University Campus, Summit County, Ohio, (the School) as of and for the year ended June 30, 2008, and have issued our report thereon dated March 13, 2009. 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 matters that we reported to the School's management in a separate letter dated March 13, 2009.

### **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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the School's management in a separate letter dated March 13, 2009.

We intend this report solely for the information and use of the audit committee, management, the Board of Directors, the Community School's Sponsor, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

March 13, 2009



# Mary Taylor, CPA

Auditor of State

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

HOPE Academy University Campus  
Summit County  
107 S. Arlington St.  
Akron, Ohio 44306

To the Board of Directors:

### Compliance

We have audited the compliance of HOPE Academy University Campus, Summit County, Ohio, (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 its major federal program for the year ended June 30, 2008. The summary of auditor's results section of the accompanying Schedule of Findings identifies the School's major federal program. 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 HOPE Academy University Campus, Summit County complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2008.

### **Internal Control Over Compliance**

The School's management is responsible for establishing and maintaining effective internal control over compliance with the 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to administer a federal program such that there is more than a remote likelihood that the School's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the School's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

### **Federal Awards Revenues and Expenses Schedule**

We have also audited the financial statements of the School as of and for the year ended June 30, 2008, and have issued our report thereon dated March 13, 2009. Our audit was performed to form an opinion on the School's basic financial statements. The accompanying Federal Awards Revenues and Expenses Schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information 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.

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



**Mary Taylor, CPA**  
Auditor of State

March 13, 2009



**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

**FEDERAL AWARDS REVENUES AND EXPENSES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2008**

<b>Federal Grantor Pass Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Revenues</b>	<b>Expenses</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	\$110,481	\$110,481
School Breakfast Program	10.553	54,897	54,897
Total U.S. Department of Agriculture - Child Nutrition Cluster		<u>165,378</u>	<u>165,378</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Passed Through Ohio Department of Education</i>			
Special Education Grants to States (IDEA Part B)	84.027	82,393	82,393
Improving Teacher Quality State Grants	84.367	28,506	28,506
Education Technology State Grants	84.318	3,197	3,197
Grants to Local Educational Agencies (ESEA Title 1)	84.010	286,951	286,951
Innovative Educational Program Strategies	84.298	1,021	1,021
Special Education Preschool Grants	84.173	478	478
Safe and Drug-Free Schools and Communities State Grants	84.186	<u>3,083</u>	<u>3,083</u>
Total U.S. Department of Education		<u>405,629</u>	<u>405,629</u>
<b>Total</b>		<u><u>\$571,007</u></u>	<u><u>\$571,007</u></u>

*The accompanying notes are an integral part of this schedule.*

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

**NOTES TO THE FEDERAL AWARDS REVENUES AND EXPENSES SCHEDULE  
JUNE 30, 2008**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Revenues and Expenses Schedule (the Schedule) summarizes activity of the School's federal award programs. The Schedule has been prepared using the full accrual basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

**NOTE C - TRANSFERS**

The School generally must spend Federal assistance within 15 months of receipt. However, with Ohio Department of Education (ODE) approval, a School can transfer (carryover) unspent Federal assistance to the succeeding year, thus allowing the School a total of 27 months to spend the assistance. During fiscal year 2009, the Ohio Department of Education authorized the following transfers:

CFDA

<u>Number</u>	<u>Program Description</u>	<u>Grant Year</u>	<u>Transfer- In</u>	<u>Transfer-Out</u>
84.173	Special Education Preschool Grants	2009	\$244	
84.173	Special Education Preschool Grants	2008		\$244
84.186	Safe and Drug-Free Schools Grants	2009	764	
84.186	Safe and Drug-Free Schools Grants	2008		764

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDED JUNE 30, 2008**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA #84.010 – Grants to Local Educational Agencies (ESEA Title 1)
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT 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; <b><i>Explain</i></b>
2007-001	Noncompliance –Credit Card Use and Travel Policies	No	Partially Corrected; See Management Letter
2007-002	Significant Deficiency – Internal Control	Yes	N/A

# **Comprehensive Annual Financial Report**

For the Year Ended June 30, 2008



## **HOPEACADEMIES**

There is HOPE  
for every child

**Hope Academy University Campus**

**Akron, Ohio**



# **Hope Academy University Campus Akron, Ohio**

## **Comprehensive Annual Financial Report For the Year Ended June 30, 2008**

**Prepared by Brian G. Adams MBA, CMA, CFM, CrFA, CGFM**

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2008**

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# Introductory Section

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[www.hope-academies.com](http://www.hope-academies.com)

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March 13, 2009

Hope Academy University Campus Community  
Members of the Board of Directors

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Hope Academy University Campus (the School) for the fiscal year ended June 30, 2008. The CAFR is designed to assist and guide the reader in understanding its contents. The report consists of three major sections:

Introductory Section The Introductory Section includes the Transmittal Letter, a list of our Board members, an organizational chart, and GFOA Certificate of Achievement.

Financial Section The Financial Section consists of the Independent Accountants' Report, Management's Discussion and Analysis, and the Basic Financial Statements as well as the Notes to the Basic Financial Statements that provide an overview of the School's financial position and operating results.

Statistical Section The Statistical Section includes selected financial and demographic information about the School on a multi-year basis.

The School's management is responsible for the reliability of the data presented and the completeness of the presentation, including all disclosures. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School. All disclosures necessary to enable the reader to gain an understanding of the School's financial activities have been included.

Further, the School has established a comprehensive framework of internal controls that is designed to compile sufficient reliable information for the preparation of its financial statements in accordance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the School's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

Ohio law requires independent audits be performed on all financial operations of the School either by the Auditor of State or an independent public accounting firm in accordance with generally accepted accounting principles (GAAP) and generally accepted auditing standards (GAAS). The Auditor of State's Office rendered an opinion on the School's financial statements as of June 30, 2008 and the Independent Accountants' Report on the Basic Financial Statements is included in the Financial Section herein.

As required by GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", management is also responsible for preparing a discussion and analysis of the School. This Letter of Transmittal is designed to complement the Management's Discussion and Analysis and should be read in conjunction with it. This discussion follows the Independent Accountants' Report and provides an assessment of the School's finances for fiscal year 2008 and the outlook for the future.

### Profile of the Government

Ohio charter schools began operating after the passage of a 1997 State law. Charter schools, commonly referred to as “community schools” in Ohio, are public, non-profit, non-sectarian schools established to operate independently of any School District. These schools also are exempt from many of the education laws of the State allowing them to bring innovation and efficiency to the traditional education model. More importantly, the passage of this law made the concept of school choice a reality in Ohio. As required by law, each of these community schools must have a sponsor. Effective July 1, 2005, the School entered into a contract with a new sponsor, Ohio Council of Community Schools. Ohio Council of Community Schools provides oversight and advisory services to 50 community schools throughout the State serving nearly 20,000 children.

Hope Academy University Campus is an elementary school offering grades K-8. The School, which first opened its doors in August of 1998, is located in downtown Akron, Ohio and is run by a five-member Board of Directors. The School has contracted with HA University, LLC a subsidiary of White Hat Management, LLC to operate the School on a day-to-day basis. White Hat Management (the Company) is a national leader in professional education management that serves nearly 18,000 students across multiple states. The Company has managed the School since its inception.

### Economic Issues

Since the enactment of community school legislation, the School has been funded solely on the per pupil funding set forth by State of Ohio (see Statistical Section for historical funding levels). Historically, the School has seen an increase in the base level per pupil funding amount (currently 0.89 percent between fiscal years 2009 and 2008). However, this amount is still less than the amount that traditional school districts in the State receive per pupil, primarily because community schools are not authorized by statute to levy taxes in the communities that they operate in. By comparison, the Akron City School District receives over \$11,000 in average per pupil funding from all sources whereas the School (which is also located in the City of Akron) receives only \$8,756 from all sources. These disparities in funding are in part, the reason why contracting with a professional educational management firm like White Hat Management was an attractive option. By managing multiple schools, the Company is able to gain operational efficiencies that are more difficult to achieve in a stand-alone school. In November 2005, the School renewed its management agreement with White Hat and its affiliates. (See Note 9 for a full description of services provided by the Company.)

As discussed later, the School was funded on 313 full-time equivalent students for fiscal year 2008. As of the date of this letter, it is expected that the School will maintain that enrollment with the possibility of a slight decline consistent with declines seen in other Hope Academies throughout the State. Obviously, any decline in enrollment would have a direct corresponding impact to current year revenues.

As a result of legislative changes, management companies that operate schools in the State of Ohio are required to provide more disclosure on how monies paid by the School to the company are spent. Auditor of State Bulletin No. 2004-009 provided the guidelines of how management companies are expected to comply with this provision and Note 10 to the basic financial statements under the Financial Section includes the required information for fiscal year ended June 30, 2008.

Awards and Acknowledgements

The Government Finance Officer's Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Hope Academy University Campus for its CAFR for the year ended June 30, 2007. This was the fourth year that the School has received the award. The School was also acknowledged by the Ohio Department of Education as being one of the first community schools in the State to ever receive such an award. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and effectively organized CAFR, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report, which is included herein, will conform to the high standards required by the Certificate of Achievement program.

The Comprehensive Annual Financial Report was prepared by the fiscal management team for the School. Their commitment to this process has helped to make this report possible. We would also like to thank Mr. Stubbs and other members of the Board of Directors and Finance Committee for their support in this endeavor. It is truly appreciated.

Finally, we would like to thank our School community for entrusting us with the education of your children. You are the reason we are here. We are committed to bettering our students, their parents, and the communities we serve by providing the very best alternative in public education.

Sincerely,



Brian G. Adams MBA, CMA, CFM, CGFM  
Fiscal Officer/Internal Auditor  
Hope Academy University Campus



James A. Stubbs  
President, Board of Directors  
Hope Academy University Campus



James E. Haynes  
Finance Committee Chairman  
Hope Academy University Campus

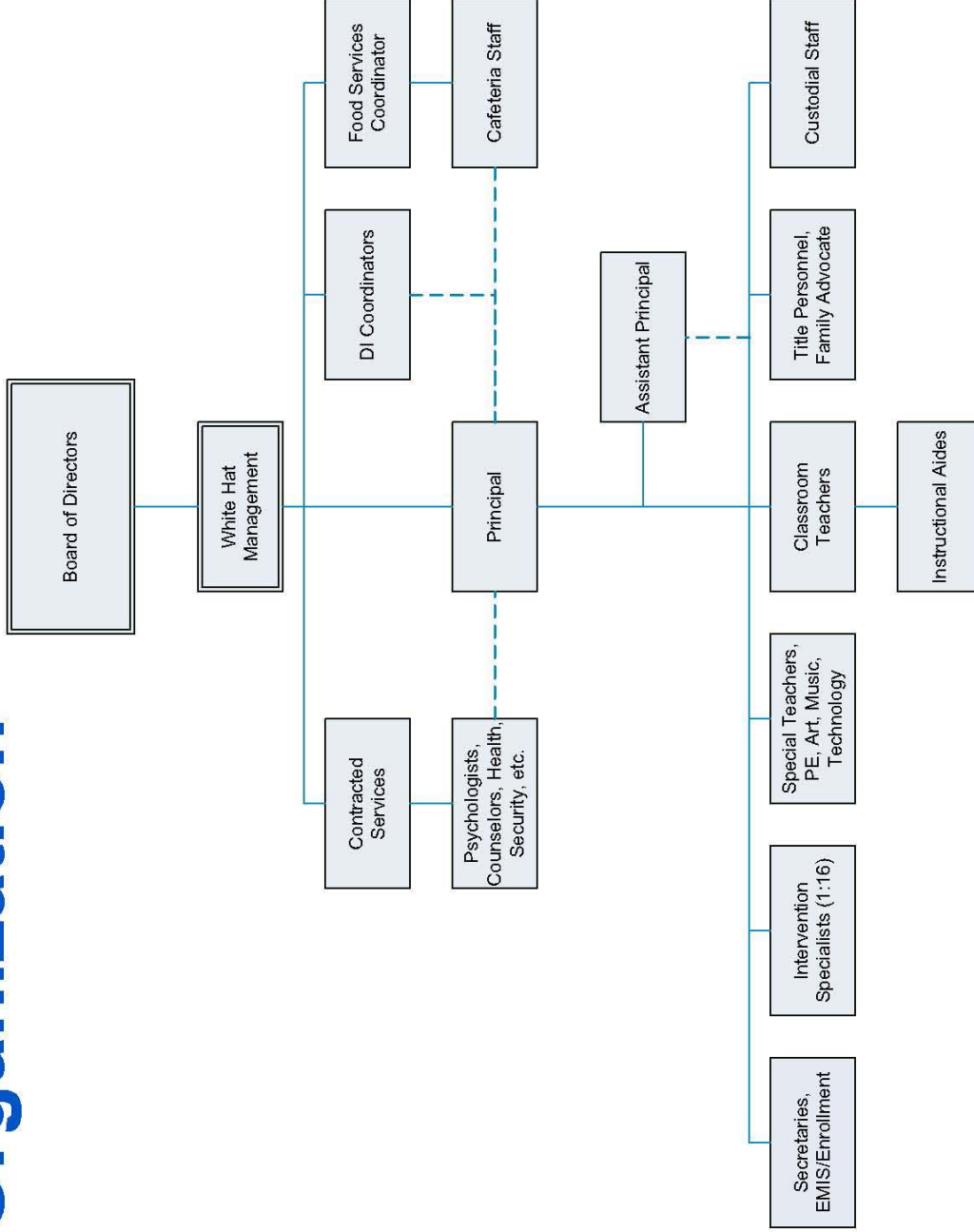
Hope Academy University Campus  
Board of Directors  
June 30, 2008

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James A. Stubbs  
James E. Haynes  
Calvin Kennedy  
Charlotte Ivey  
Kurt Minson

Board President  
Board Member  
Board Member  
Board Member  
Board Member

# Organization



*There is HOPE for every child*



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Hope Academy University  
Campus, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R. T.", written in a cursive style.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", written in a cursive style.

Executive Director



# Financial Section

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

HOPE Academy University Campus  
Summit County  
107 S. Arlington St.  
Akron, Ohio 44306

To the Board of Directors:

We have audited the accompanying basic financial statements of the HOPE Academy University Campus, Summit 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 net assets of HOPE Academy University Campus, Summit County, Ohio, as of June 30, 2008, and the changes in its net assets 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 March 13, 2009, 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 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.

We conducted our audit to opine on the financial statements that collectively comprise the School's basic financial statements. The introductory and statistical sections provide additional information and are not a required part of the basic financial statements. We did not subject the introductory and statistical sections to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

March 13, 2009

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008  
(Unaudited)**

The discussion and analysis of the Hope Academy University Campus (the School) financial performance provides an overall review of the School's 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 transmittal letter, 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 June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

**Financial Highlights**

- In total, net assets decreased \$3,557 which represents a 3.8 percent decrease from 2007. This decrease is due to a decrease in depreciable capital assets.
- Total assets decreased \$3,490, which represents a 1.3 percent decrease from 2007. This was primarily due to the depreciation of capital assets.
- Liabilities increased \$67, which is a negligible increase from the previous year.

**Using this Financial Report**

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

The School uses enterprise presentation for all of its activities.

**Statement of Net Assets**

The Statement of Net Assets answers the question of how the School did financially during 2008. This statement includes all assets and liabilities, both financial and capital, and short-term and long-term using the accrual basis of accounting and 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.

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008  
(Unaudited)**

Table 1 provides a summary of the School's net assets for fiscal years 2008 and 2007.

(Table 1)  
**Statement of Net Assets**

	2008	2007
<b>Assets</b>		
Current Assets	\$219,759	\$184,719
Capital Assets, Net	48,261	86,791
Total Assets	\$268,020	\$271,510
 <b>Liabilities</b>		
Current Liabilities	\$176,834	\$176,767
 <b>Net Assets</b>		
Investment in Capital Assets	\$ 48,261	\$ 86,791
Unrestricted	42,925	7,952
Total Net Assets	\$ 91,186	\$ 94,743

Total assets decreased \$3,490, which represents a 1.3 percent decrease from 2007. This was primarily due to the depreciation of capital assets. Liabilities increased \$67 from 2007, which is a negligible increase from the previous year.

**Statement of Revenues, Expenses and Changes in Net Assets**

Table 2 shows the changes in net assets for fiscal years 2008 and 2007, as well as a listing of revenues and expenses. This change in net assets is important because it tells the reader that, as a whole, the financial position of the School has improved or diminished. The cause of this may be the result of many factors, some financial, some not. Non-financial factors include the current laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008  
(Unaudited)**

(Table 2)  
**Change in Net Assets**

	2008	2007
<b>Operating Revenues</b>		
State Aid	\$2,184,724	\$2,379,829
<b>Non-Operating Revenue</b>		
Grants	548,618	510,641
Interest Income	6,903	7,724
Miscellaneous	404	1,919
Total Revenues	2,740,649	2,900,113
<b>Operating Expenses</b>		
Purchased Services: Management Fees	2,097,335	2,284,636
Purchased Services: Grant Programs	548,618	503,391
Sponsorship Fees	10,924	11,939
Legal and Professional	15,415	17,767
Auditing & Accounting	24,587	16,791
Insurance	1,490	1,490
Board of Education	488	31,960
Depreciation	38,530	38,631
Professional Services	5,307	12,545
Miscellaneous	1,512	2,031
Total Expenses	2,744,206	2,921,181
Change in Net Assets	\$ (3,557)	\$ (21,068)

The primary reason for the decrease in overall revenues from 2007 was the decrease in enrollment from 348 in 2007 to 313 in 2008. The School's most significant expenses, "Purchased Services" decreased as well because of the management agreement in place between the School and WHLS. As stated previously, the agreement provides that specific percentages of the revenues received by the School will be paid to WHLS to fund operations (See Notes to the Basic Financial Statements, Note 9).

**Budgeting Highlights**

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 Chapter 5705, unless specifically provided in the community school's contract with its Sponsor. The contract between the School and its Sponsor does prescribe a budgetary process. The School has developed a one year spending plan and a five-year projection that is reviewed periodically by the Board of Directors. The five year projections are also submitted to the Sponsor and the Ohio Department of Education.

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008  
(Unaudited)**

**Capital Assets**

At the end of fiscal year 2008 the School had \$48,261, invested in computers and software, equipment, and leasehold improvements, which represented a decrease of \$38,530 from 2007, additionally, had \$7,798 of furniture and fixtures which were fully depreciated. Table 3 shows the changes in Capital Assets below.

(Table 3)

**Capital Assets (Net of Depreciation)**

	<u>2008</u>	<u>2007</u>
Computers and Software	\$ 2,628	\$ 5,045
Equipment	21,106	30,137
Leasehold Improvements	<u>24,527</u>	<u>51,609</u>
Totals	<u>\$ 48,261</u>	<u>\$ 86,791</u>

For more information on capital assets, see Note 7 in the Notes to the Basic Financial Statements.

**Current Financial Issues**

The Hope Academy University Campus received revenue for 313 students in 2008 (a decrease from 2007 of 35) and continues to enroll students on a daily basis. State law governing community schools allows for the School to have open enrollment across traditional school district boundaries. The School receives its support almost entirely from State Aid. Per pupil revenue from State Aid for the School averaged \$6,980 in fiscal year 2008 with a 3 percent increase in State Basic Aid planned in fiscal year 2009. The School receives additional revenues from grant subsidies.

On July 1, 2005, the School contracted with the Ohio Council of Community Schools as its sponsor. State law allows sponsors to assess the schools up to 3 percent of State revenues as an oversight fee, a cost that was not incurred through the sponsorship by ODE. Ohio Council of Community Schools charged one half of one percent of State Aid to be paid by the School for fiscal year 2008 and will charge the same for fiscal year 2009.

**Contacting the School's Financial Management**

This financial report is designed to provide our readers 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 Brian G. Adams, Fiscal Officer for the Hope Academy University Campus, 7215 Sawmill Rd, Suite 050, Dublin, OH 43016 or e-mail at [badams@ocscltd.com](mailto:badams@ocscltd.com).



HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY

STATEMENT OF NET ASSETS  
JUNE 30, 2008

**ASSETS**

Current Assets

Cash and Cash Equivalents	\$ 98,257
Grants Funding Receivable	109,895
Continuing Fees Receivable	10,372
Sponsor Fees Receivable	1,065
Receivables From Schools	71
Prepaid Rent	<u>99</u>
Total Current Assets	219,759

Noncurrent Assets

Depreciable Capital Assets, net	<u>48,261</u>
---------------------------------	---------------

**Total Assets** \$268,020

**LIABILITIES**

Current Liabilities:

Accounts Payable	\$ 4,763
State Funding Payable	10,804
Grants Funding Payable	160,621
Payable to Schools	<u>646</u>

**Total Liabilities** 176,834

**NET ASSETS**

Investment in Capital Assets	48,261
Unrestricted	<u>42,925</u>

**Total Net Assets** \$ 91,186

See accompanying notes to the basic financial statements

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

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

**OPERATING REVENUES**

State Aid \$2,184,724

**OPERATING EXPENSES**

Purchased Services: Management Fees	2,097,335
Purchased Services: Grant Programs	548,618
Sponsorship Fees	10,924
Legal and Professional	15,415
Auditing and Accounting	24,587
Insurance	1,490
Board of Education	488
Depreciation	38,530
Professional Services	5,307
Miscellaneous	<u>1,512</u>

**Total Operating Expenses** 2,744,206

**Operating Loss** (559,482)

**NON-OPERATING REVENUE**

Grants	548,618
Interest Income	6,903
Miscellaneous	<u>404</u>

**Total Non-Operating Revenue** 555,925

**Change in Net Assets** (3,557)

**Net Assets Beginning of Year** 94,743

**Net Assets End of Year** \$ 91,186

See accompanying notes to the basic financial statements

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

**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	\$2,190,711
Cash Payments to Suppliers for Goods and Services	<u>(2,717,003)</u>
Net Cash Used for Operating Activities	(526,292)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Miscellaneous	404
Cash Received from Grants	<u>557,251</u>
Net Cash Provided by Noncapital Financing Activities	557,655

**CASH FLOWS FROM INVESTING ACTIVITIES**

Cash Received from Interest on Investments	<u>6,903</u>
Net Increase in Cash and Cash Equivalents	38,266
Cash and Cash Equivalents Beginning of Year	<u>59,991</u>
Cash and Cash Equivalents End of Year	<u>\$ 98,257</u>

**RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES**

Operating Loss	\$ (559,482)
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**ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES**

Depreciation	38,530
Changes in Assets and Liabilities:	
Continuing Fees Receivable	(5,747)
Sponsor Fees Receivable	(24)
Receivable from School	462
Prepaid Rent	(99)
Accounts Payable	456
State Funding Payable	5,987
Grants Funding Payable	(6,636)
Payable to Schools	<u>261</u>
Net Cash Used for Operating Activities	<u>\$ (526,292)</u>

See accompanying notes to the basic financial statements

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**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

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

**1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY**

Hope Academy University Campus (the School) is a tax exempt 501(c)(3), state nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to maintain and provide a school exclusively for any educational, literary, scientific and related teaching service. The School, which is part of the State's education program, is independent of any school district. 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 contracts HA University, LLC, a Nevada limited liability company, for most of its functions. WHLS of Ohio, LLC, a Nevada limited liability company ("WHLS") dba White Hat Management Company, is the sole member of HA University, LLC and is the entity with which the School's board interacts regarding day-to-day operations (see note 9 for details).

The School was originally approved for operation under contract with the Ohio State Board of Education for a period of five years from August 20, 1998 through June 30, 2003. The contract was subsequently renewed for a two year period from July 1, 2003 through June 30, 2005. Effective July 1, 2005, House Bill 364 required schools sponsored by the Ohio Department of Education to have new sponsorship in place by June 30, 2005. The School signed a contract with a new sponsor, Ohio Council of Community Schools (Sponsor), to operate for a period from July 1, 2005 through June 30, 2010.

The School operates under a self-appointing, five-member Board of Directors (the Board). The School's Code of Regulations specify that vacancies that arise on the Board will be filled by the appointment of a successor director by a majority vote of the then existing directors. The Board is responsible for carrying out the provisions of the contract with the Sponsor, 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 facility is staffed with teaching personnel employed by WHLS, who provide services to 313 students. The Board also operates Hope Academy Broadway Campus, Hope Academy Cathedral Campus, Hope Academy Chapelside Campus, Hope Academy Lincoln Park Campus, Hope Academy High School, and the Life Skills Center of Cleveland in the City of Cleveland; and Life Skills Center of Akron and Hope Academy Brown Street Campus in the City of Akron.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the School have been prepared in conformity with generally accepted accounting principles 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 GASB pronouncements. The School does not 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**

The School's basic financial statements consist of a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows. Enterprise fund reporting focuses on the determination of the change in net assets, financial position and cash flows.

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Basis of Presentation (Continued)**

Auditor of State of Ohio Bulletin No. 2000-005 requires the presentation of all financial activity to be reported within one enterprise fund for year-end reporting purposes. 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) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**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. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. 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.

**C. Budgetary Process**

Unlike traditional 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 School's contract with its Sponsor. The contract between the School and its Sponsor requires a detailed school budget for each year of the contract. In addition, the Board adopted an operating budget at the beginning of fiscal year 2008. However, the budget does not have to follow the provisions of Ohio Rev. Code Section 5705, except for section 5705.391 as it relates to five-year forecasts.

**D. Cash and Cash Equivalents**

All cash received by the School is maintained in demand deposit accounts, certificates of deposit, and STAROhio. For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Assets, investments with an original maturity of three months or less at the time they are purchased are considered to be cash equivalents.

During fiscal year 2008, investments were limited to the State Treasurer's Investment Pool (STAROhio). STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2008.

**E. Intergovernmental Revenues**

The School currently participates in the State Foundation Program, the State Disadvantaged Pupil Impact Aid (DPIA) Program, and the State Special Education Program, which are reflected under "State Aid" on the Statement of Revenues, Expenses and Changes in Net Assets. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Intergovernmental Revenues (Continued)**

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements, and contributions. Grants, entitlements, and contributions are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year 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. Amounts awarded under the above programs for the 2008 school year totaled \$2,733,342.

**F. Capital Assets and Depreciation**

For purposes of recording capital assets, the Board has a capitalization threshold of \$5,000.

The capital assets are recorded on the accompanying Statement of Net Assets at cost, net of accumulated depreciation of \$202,146. Depreciation is computed by the straight-line method over three years for "Computers and Software", five years for "Equipment" and "Furniture and Fixtures" and five to twenty years for "Leasehold Improvements."

Aside from those mentioned above, the School has no other capital assets, as the School operates under a management agreement with WHLS. (See Note 9)

**G. Use of Estimates**

In preparing the financial statements, management is sometimes required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**H. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets consist of capital assets, net of accumulated depreciation, and unrestricted net assets.

**I. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the School's primary activities. For the School, these revenues are primarily State Aid payments. Operating expenses are necessary costs incurred to provide the goods and services that are the primary activities of the School. Revenues and expenses not meeting this definition are reported as non-operating.

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

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

**3. DEPOSITS AND INVESTMENTS**

**A. Deposits with Financial Institutions**

At June 30, 2008, the carrying amount of all School deposits was \$36,427. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2008, the School's bank balance of \$38,232 was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the School's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank 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.

**B. Investments**

As of June 30, 2008, the School had the following investments and maturities:

<u>Investment Type</u>	<u>Balance at Fair Value</u>	<u>Investment Maturities</u>		
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>Greater than 12 months</u>
STAROhio	\$61,830	\$61,830	\$ -	\$ -

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the School's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: Standard & Poor's has assigned STAROhio an AAAM money market rating.

Concentration of Credit Risk: The School places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the School at June 30, 2008:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent to Total</u>
STAROhio	\$61,830	100.00

**4. STATE FUNDING PAYABLE**

The School has recognized on its Statement of Net Assets a "State Funding Payable" for the amount of State Aid directly related to FTE, estimated to be repaid by the School to the Ohio Department of Education (ODE) based on the difference in the amount the School actually received versus the amount earned through student FTE enrollment as determined at the end of the year. A payable reflects that the School was funded on a higher estimated enrollment figure throughout the year than what the actual FTE enrollment figure was calculated to be at year-end. At June 30, 2008, the net amount resulted in a "State Funding Payable" was \$10,804.



**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

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

**5. CONTINUING FEES RECEIVABLE**

A "Continuing Fees Receivable" from WHLS has been recorded by the School in the amount of \$10,372 for 96 percent of the "State Funding Payable" due to the State for the FTE liability (See Note 4).

**6. GRANTS FUNDING RECEIVABLE/PAYABLE**

The School has recorded "Grants Funding Receivable" in the amount of \$109,895 to account for the remainder of State and Federal awards allocated to the School, but not received as of June 30, 2008.

Additionally, under the terms of the management agreement (See Note 9), the School has recorded a liability to WHLS in the amount of \$160,621 for 100 percent of any State and Federal grant monies uncollected or unpaid to WHLS as of June 30, 2008.

**7. CAPITAL ASSETS AND DEPRECIATION**

For the year ended June 30, 2008, the School's capital assets consisted of the following:

	Balance			Balance
	<u>06/30/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/08</u>
<b>Capital Assets Being Depreciated</b>				
Computers and Software	\$ 7,250	\$ -	\$ -	\$ 7,250
Furniture and Fixtures	7,798	-	-	7,798
Equipment	45,156	-	-	45,156
Leasehold Improvements	<u>190,203</u>	<u>-</u>	<u>-</u>	<u>190,203</u>
<b>Total Assets Being Depreciated</b>	<u>250,407</u>	<u>-</u>	<u>-</u>	<u>250,407</u>
 <b>Less: Accumulated Depreciation</b>				
Computers and Software	(2,205)	(2,417)	-	(4,622)
Furniture and Fixtures	(7,798)	-	-	(7,798)
Equipment	(15,019)	(9,031)	-	(24,050)
Leasehold Improvements	<u>(138,594)</u>	<u>(27,082)</u>	<u>-</u>	<u>(165,676)</u>
<b>Total Accumulated Depreciation</b>	<u>(163,616)</u>	<u>(38,530)</u>	<u>-</u>	<u>(202,146)</u>
 <b>TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET</b>	 <u>\$ 86,791</u>	 <u>\$(38,530)</u>	 <u>\$ -</u>	 <u>\$ 48,261</u>

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

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

**8. RISK MANAGEMENT**

**Property and Liability** - The School is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As part of its management agreement with WHLS, WHLS has contracted with an insurance company for property and general liability insurance pursuant to the Management Agreement (See Note 9). There was no significant reduction in insurance coverage from the prior year and claims have not exceeded insurance coverage over the past three years.

**Director and Officer** - Coverage has been purchased by the School with a \$1,000,000 aggregate limit and a \$2,500 deductible.

**9. AGREEMENT WITH WHLS**

Effective November 1, 2005, the School entered into a multi-year Management Agreement (Agreement) with WHLS of Ohio, LLC (through its subsidiary HA University, LLC), which is an educational consulting and management company. The Agreement's term ran through June 30, 2007, was renewed for a one year term ending June 30, 2008, and will renew for additional one year terms ending on June 30, 2010 unless terminated for cause by either party. Substantially all functions of the School have been contracted to WHLS. WHLS is responsible and accountable to the School's Board of Directors for the administration and day-to-day operations. As part of the terms of this agreement, the "Continuing Fee" percentage of the School is 96 percent. "Continuing Fees" are defined in the Agreement as, "...the revenue per student received by the School from the State of Ohio Department of Education pursuant to Title 33 and other provisions of the Ohio Revised Code...". With regard to grant funding, the agreement reads as follows: "Federal Title Programs, lunch programs revenue, and other such federal, state and local government grant funding designated to compensate the school for the education of its students shall be fully paid to the Company." The continuing fee is paid to WHLS based on the previous month's qualified gross revenues". As such, WHLS receives 96 percent of "State Aid" (See Note 2 E) and 100 percent of all other federal, state, and local grants. The School retains 4 percent of the "State Aid" as well as miscellaneous revenues generated from interest on deposits and donations.

The School had purchased service expenses for the year ended June 30, 2008, to WHLS of \$2,645,953, receivables due of \$10,372, and payables to WHLS at June 30, 2008 aggregating \$160,621. WHLS is responsible for all costs incurred in providing the educational program at the School, which include but are not limited to, salaries and benefits of all personnel, curriculum materials, textbooks, library books, computers and other equipment, software, supplies, building payments, maintenance, capital, and insurance.

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

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

**10. MANAGEMENT COMPANY EXPENSES**

For the year ended June 30, 2008, White Hat Ventures, LLC and its affiliates incurred the following expenses on behalf of the School.

<b>Expenses</b>	<b>2008</b>
<b>Direct Expenses:</b>	
Salaries & wages	\$1,383,330
Employees' benefits	497,743
Professional & technical services	168,838
Property services	225,205
Travel	9,952
Communications	11,428
Utilities	104,555
Books, periodicals, & films	19,739
Food & related supplies	133,350
Other supplies	128,146
Depreciation	202,310
Other direct costs	60,352
<b>Indirect Expenses:</b>	
Overhead	<u>648,383</u>
<b>Total Expenses</b>	<u><b>\$3,593,331</b></u>

Overhead charges are assigned to the School based on a percentage of revenue. These charges represent the indirect cost of services provided in the operation of the School. Such services include, but are not limited to facilities management, equipment, operational support services, management and management consulting, board relations, human resources management, training and orientation, financial reporting and compliance, purchasing and procurement, education services, technology support and marketing and communications.

**11. DEFINED BENEFIT PENSION PLANS**

The School has contracted with WHLS to provide employee services and to pay those employees. However, these contract services do not relieve the School of the obligation for remitting pension contributions. The retirement systems consider the School as the Employer-of-Record and the School ultimately responsible for remitting retirement contributions to each of the systems noted below: (See Note 9)

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

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

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

**A. School Employees Retirement System**

Plan Description – WHLS, on behalf of the School, contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The 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](http://www.ohsers.org).

Funding Policy - 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 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 by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$33,409, \$41,831, and \$38,847, respectively; of which 100 percent has been contributed.

**B. State Teachers Retirement System**

Plan Description – WHLS, on behalf of the School, contributes to the State Teachers Retirement System of Ohio (STRS Ohio), which is 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, which may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://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's lifetime contributions and earned interest matched by STRS Ohio funds divided by 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DB Plan and the DC Plan.

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

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

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

**B. State Teachers Retirement System (Continued)**

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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. 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.

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, 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 contribution for pension obligations to STRS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$130,250, \$123,945 and \$119,930 respectively, of which 100% has been contributed. Contributions to the DB and combined plans for fiscal year 2008 were \$130,867 made by the School and \$102,852 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2008, there were no members that elected Social Security. The contribution rate is 6.2 percent of wages.

**12. POSTEMPLOYMENT BENEFITS**

**A. School Employee Retirement Systems**

Plan Description – WHLS, on behalf of the School, participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

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

**12. POSTEMPLOYMENT BENEFITS (Continued)**

**A. School Employee Retirement Systems (Continued)**

Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$20,863, \$24,995, and \$19,812 respectively, of which 100% has been contributed.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$2,407, \$2,624, \$2,864 respectively, all of which has been contributed for fiscal year 2008 and 100% for fiscal years 2007 and 2006.

**B. State Teachers Retirement System**

Plan Description – WHLS, on behalf of the School contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$10,019, \$9,519, and \$9,225 respectively, all of which has been contributed for all fiscal years.

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

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

**13. CONTINGENCES**

**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 adjustments will not have a material adverse effect on the financial position of the School.

**B. Pending Litigation**

In October 2007, the school filed lawsuits against Integrated Consulting Management and Community Educational Partnerships for matters related to their contracts. Both organizations have in turn counter sued the school. The effects of these lawsuits is presently not determinable

**C. Full Time Equivalency**

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 to the State, upon which state foundation funding is calculated. The conclusions of this review could result in state funding being adjusted. Adjustments as of June 30, 2008 are described in Note 4.

**14. SPONSORSHIP FEES**

The School contracted with Ohio Council of Community Schools (OCCS) as its sponsor effective July 1, 2005. The School pays the Sponsor one-half percent of the State Aid. Total fees for fiscal year 2008 were \$10,924. The contract is for five years ending on June 30, 2010. The Sponsor provides oversight, monitoring, and technical assistance for the School. At June 30, 2008, "Sponsor Fees Receivable" from OCCS has been recorded by the School in the amount of \$1,065 for the net of one-half of one percent of the "State Funding Payable" due from the Sponsor for the FTE liability and for overpayments made to the Sponsor during the year. (See Note 4)

**15. TAX EXEMPT STATUS**

The School was approved under §501(c)(3) of the Internal Revenue Code as a tax exempt organization.

**16. RECEIVABLES/PAYABLES FROM SCHOOLS**

The School shares costs for certain professional services with other Hope Academies and Life Skills Centers. As of June 30, 2008, the School has \$71 due from schools (receivables) and \$646 due to other schools (payable) for various payments made for these services.

**HOPE ACADEMY UNIVERSITY CAMPUS  
SUMMIT COUNTY**

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

**17. CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2008, the School has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 established uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the School; however, certain disclosures related to postemployment benefits (Note 12) have been modified to conform to the new reporting requirements.

GASB Statement No. 50 established standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the School.



# Statistical Section

Hope Academy University Campus  
Operating Expenses by Category  
Last Ten Fiscal Years

	<u>Fiscal Year</u>									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Purchased Services	\$2,097,335	\$2,284,636	\$2,187,141	\$1,275,990	\$1,192,685	\$1,171,348	\$	\$	\$	\$
Management Fees										
Purchased Services Grant Programs	\$ 548,618	\$ 503,391	\$ 427,071	\$ 350,726	\$ 319,720	\$ 283,849	\$	\$	\$	\$
Purchased Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 574,528	\$ 297,020	\$ 481,237	\$ 253,947
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 726,555	\$ 614,782	\$ 456,554	\$ 305,058
Materials and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,332	\$ 120,449	\$ 86,282	\$ 63,234
Sponsor Fees	\$ 10,924	\$ 11,939	\$ 15,543	\$ -	\$ -	\$ -	\$ 101,112	\$ 131,362	\$ 65,298	\$ 72,955
Legal/ Professional	\$ 20,722	\$ 30,312	\$ 14,147	\$ 11,073	\$ 10,900	\$ 28,954	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 1,490	\$ 1,490	\$ 4,990	\$ 1,980	\$ 4,144	\$ 8,423	\$ -	\$ -	\$ -	\$ -
Auditing & Accounting	\$ 24,587	\$ 16,791	\$ 10,099	\$ 2,782	\$ 4,573	\$ 1,511	\$ -	\$ -	\$ -	\$ -
Board of Education	\$ 488	\$ 31,960	\$ 9,007	\$ 18,455	\$ 9,429	\$ 3,195	\$ -	\$ -	\$ -	\$ -
Depreciation	\$ 38,530	\$ 38,631	\$ 32,696	\$ 25,574	\$ 25,947	\$ 129,402	\$ 61,243	\$ 17,639	\$ 80,847	\$ 43,228
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,645	\$ 46,630	\$ 26,244	\$ 20,804
Miscellaneous	\$ 1,512	\$ 2,031	\$ 3,296	\$ -	\$ 6,792	\$ 2,889	\$ 14,265	\$ 10,783	\$ 2,004	\$ 934
<b>Total</b>	<b>\$2,744,206</b>	<b>\$2,921,181</b>	<b>\$2,703,990</b>	<b>\$1,686,580</b>	<b>\$1,574,190</b>	<b>\$1,629,571</b>	<b>\$1,693,680</b>	<b>\$1,238,665</b>	<b>\$1,198,466</b>	<b>\$760,160</b>
Enrollment	313	348	347	199	193	202	194	145	172	119
Per Pupil Expenditure	\$ 8,767	\$ 8,394	\$ 7,792	\$ 8,475	\$ 8,156	\$ 8,067	\$ 8,730	\$ 8,543	\$ 6,968	\$ 6,388

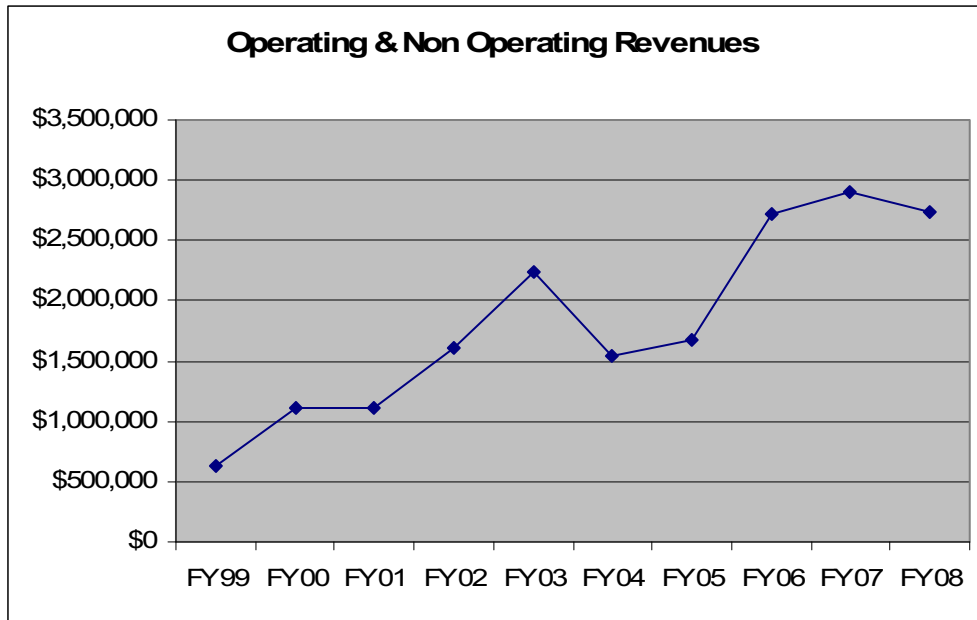
**Note 1:** In the initial years of operation, the School was responsible for funding the majority of its daily operations from State Aid. On July 1, 2002 (FY03), in an effort to improve the School's financial performance, the School signed a revised management with WHLS allowing for the daily operations to be run by the management company in exchange for a higher percentage management fee.

**Note 2:** The sponsor may contract with the school to receive 3% or less of the amount the State pays to a school annually, solely for the costs of its oversight and monitoring activities.

Source: School Financial Records

Hope Academy University Campus  
Operating and Non-Operating Revenues  
Last Ten Fiscal Years

<u>Year</u>	<u>State Aid</u>	<u>Grants</u>	<u>Other</u>	<u>Total</u>
2008	\$ 2,184,724	\$548,618	\$ 7,307	<b>\$2,740,649</b>
2007	\$ 2,379,829	\$510,641	\$ 9,643	<b>\$2,900,113</b>
2006	\$ 2,278,336	\$427,071	\$ 7,343	<b>\$2,712,750</b>
2005	\$ 1,315,454	\$350,726	\$ 1,564	<b>\$1,667,744</b>
2004	\$ 1,229,572	\$319,720	\$ 1,037	<b>\$1,550,329</b>
2003	\$ 1,207,578	\$283,848	\$751,128 *	<b>\$2,242,554</b>
2002	\$ 1,144,665	\$459,455	\$ 1,488	<b>\$1,605,608</b>
2001	\$ 868,310	\$236,675	\$ 2,316	<b>\$1,107,301</b>
2000	\$ 991,797	\$112,513	\$ 2,030	<b>\$1,106,340</b>
1999	\$ 556,450	\$ 74,023	\$ 310	<b>\$ 630,783</b>



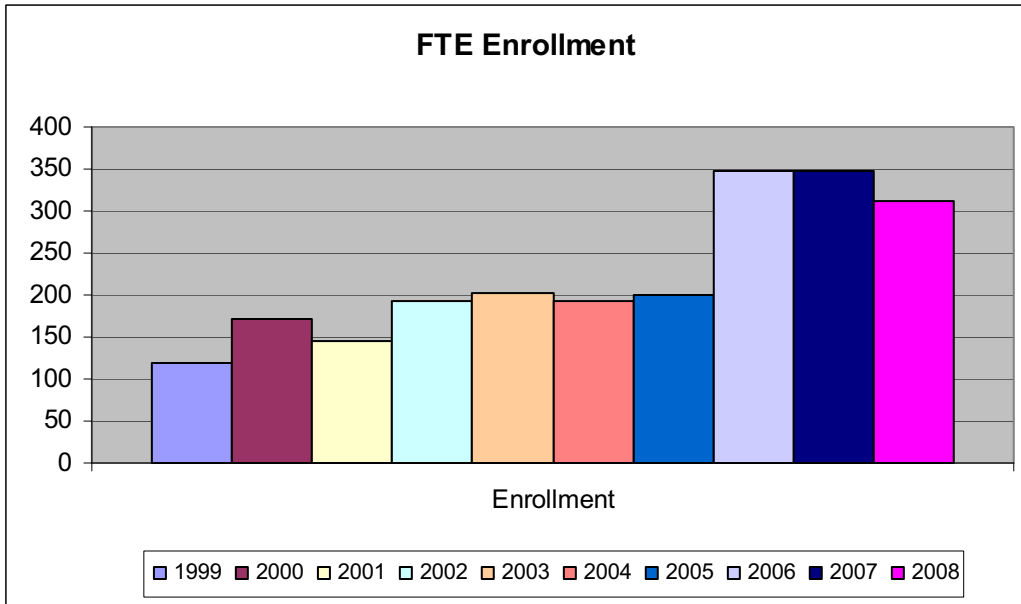
\* Includes \$749,664 of Debt Forgiveness.

Source: School Financial Records

Hope Academy University Campus  
Full-Time Equivalent (FTE) Enrollment  
Last Ten Fiscal Years

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<u>Year</u>	<u>Enrollment</u>
2008	313
2007	348
2006	347
2005	199
2004	193
2003	202
2002	194
2001	145
2000	172
1999	119

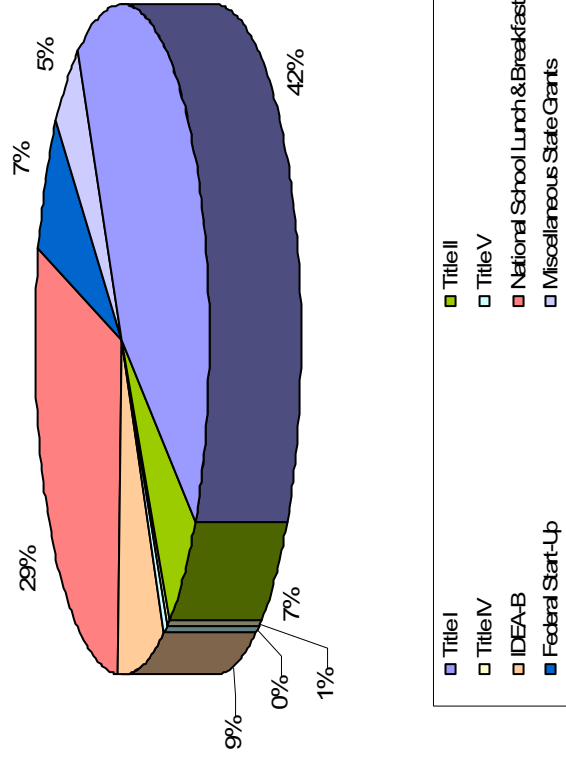


**Source: School Financial Records**

Hope Academy University Campus  
Grant Revenues by Source  
Last Ten Fiscal Years

Year	Title I	Title II	Title IV	Title V	IDEA-B	National School Lunch & Breakfast	Federal Start-Up	Miscellaneous State Grants	Total
2008	\$248,399	\$31,095	\$3,848	\$1,021	\$83,115	\$173,450	\$ -	\$ 7,690	\$ 548,618
2007	\$223,091	\$29,530	\$3,390	\$ 604	\$68,520	\$176,406	\$ -	\$ 9,100	\$ 510,641
2006	\$176,483	\$29,327	\$2,726	\$ 770	\$42,607	\$159,900	\$ -	\$15,258	\$ 427,071
2005	\$171,827	\$26,048	\$2,587	\$1,117	\$47,781	\$ 89,116	\$ -	\$12,250	\$ 350,726
2004	\$166,588	\$26,279	\$3,063	\$1,336	\$26,344	\$ 81,302	\$ -	\$14,808	\$ 319,720
2003	\$143,802	\$33,982	\$1,019	\$1,791	\$12,173	\$ 84,989	\$ -	\$ 6,092	\$ 283,848
2002	\$100,062	\$16,815	\$1,498	\$1,828	\$10,456	\$ 79,358	\$ 234,000	\$15,438	\$ 459,455
2001	\$ 71,363	\$11,971	\$1,496	\$1,702	\$ 5,590	\$ 53,607	\$ -	\$ 90,946	\$ 236,675
2000	\$ 66,012	\$10,835	\$1,576	\$1,465	\$ 4,870	\$ 27,755	\$ -	\$ -	\$ 112,513
1999	\$ 46,650	\$ 1,539	\$ 662	\$1,942	\$ -	\$ 23,230	\$ -	\$ -	\$ 74,023

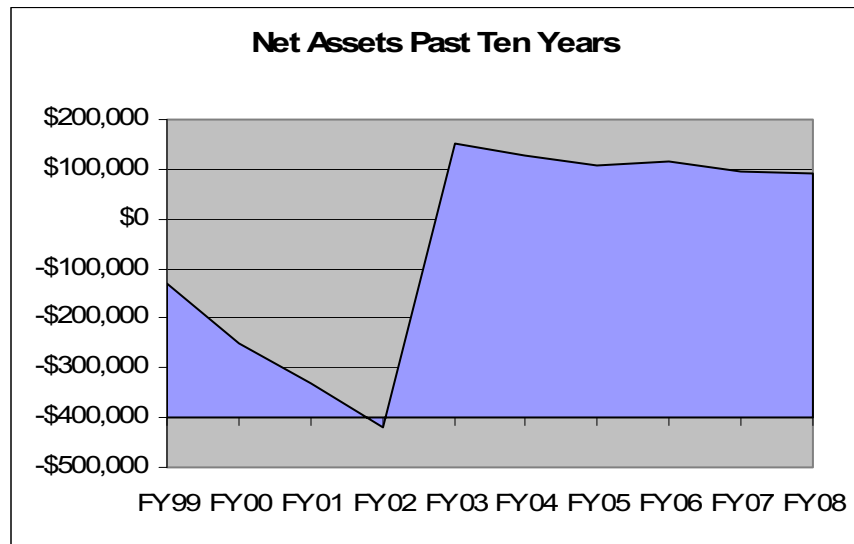
Grant Revenues By Source All Years Combined



Source: School Financial Records

Hope Academy University Campus  
Net Assets  
Last Ten Fiscal Years

Year	Invested in Capital Assets	Unrestricted	Total	Change in Net Assets
2008	\$ 48,261	\$ 42,925	\$ 91,186	\$ (3,557)
2007	\$ 86,791	\$ 7,952	\$ 94,743	\$ (21,068)
2006	\$ 118,173	\$ (2,362)	\$ 115,811	\$ 8,760
2005	\$ 105,713	\$ 1,338	\$ 107,051	\$ (18,836)
2004	\$ 131,287	\$ (5,400)	\$ 125,887	\$ (23,861)
2003	\$ 157,234	\$ (7,486)	\$ 149,748	\$ 612,983
2002	\$ 331,175	\$ (749,869)	\$ (418,694)	\$ (88,071)
2001	\$ 293,930	\$ (624,553)	\$ (330,623)	\$ (81,365)
2000	\$ 292,621	\$ (541,879)	\$ (249,258)	\$ (119,881)
1999	\$ 267,837	\$ (397,214)	\$ (129,377)	\$ (129,377)



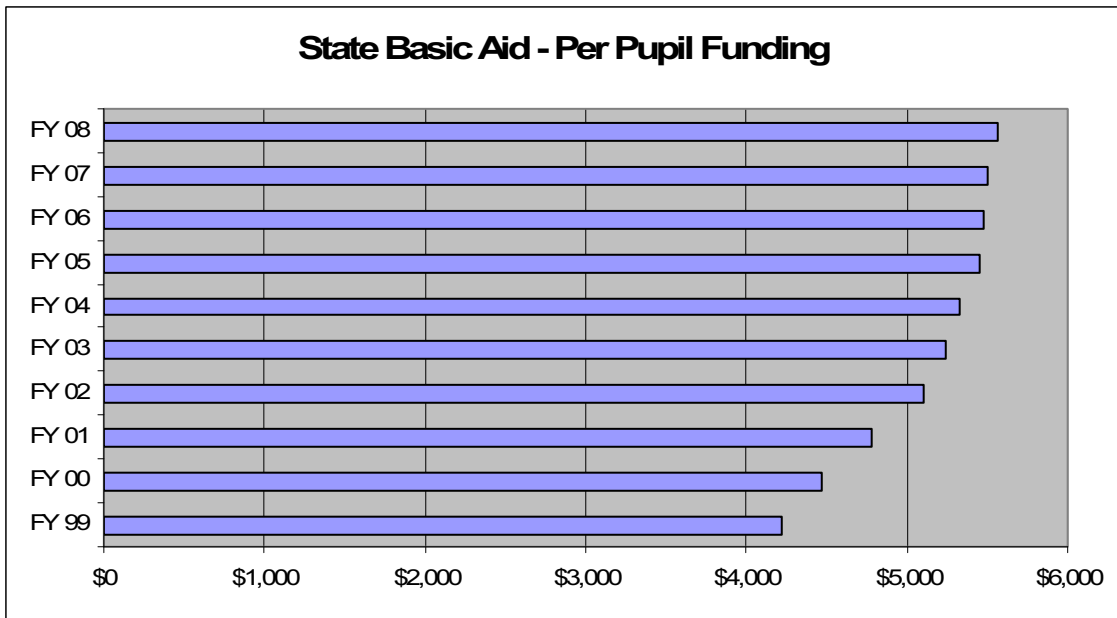
**Note 1:** On July 1, 2002, the School signed a new management agreement with WHLS to run the operations of the School. This transaction also involved \$750,000 of debt forgiveness to the School which resulted in a significant increase in the School's Net Assets.

**Note 2:** FY 03 Net Assets were restated in FY 04 as a result of a change in the School's capitalization threshold from \$1,000 to \$5,000.

**Source:** School Financial Records

Hope Academy University Campus  
 State Basic Aid – Per Pupil Funding Amount  
 Last Ten Fiscal Years

Year	Per Pupil Funding	Cost of Doing Business	Total Per Pupil
2008	\$ 5,565	-	\$ 5,565
2007	\$ 5,403	1.0181	\$ 5,501
2006	\$ 5,283	1.0361	\$ 5,474
2005	\$ 5,169	1.0542	\$ 5,449
2004	\$ 5,058	1.0542	\$ 5,332
2003	\$ 4,949	1.0598	\$ 5,245
2002	\$ 4,814	1.0598	\$ 5,102
2001	\$ 4,294	1.1133	\$ 4,781
2000	\$ 4,052	1.1018	\$ 4,464
1999	\$ 3,851	1.0942	\$ 4,214



**Note 1:** In addition to the above, the School also receives other sources of State Aid including (but not limited to) Career Based Intervention Funding, Disadvantaged Pupil Impact Aid, Parity Aid, and Special Education funding. The revenues have collectively been identified on the Statement of Revenues, Expenses, and Changes in Net Assets as “State Aid.”

The Cost of Doing Business Factors are determined by the State of Ohio and vary by region.

**Note 2:** The Ohio Department of Education eliminated the cost of doing business factor in fiscal year 2008.

**Source:** Ohio Department of Education

Hope Academy University Campus  
Student Population by Resident District  
2008 Fiscal Year

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<u>Resident District</u>	<u>%</u>
Akron	96.06%
Woodridge	2.40%
All Other Districts	1.54%

**Note 1:** The School has open enrollment and draws its population from a large surrounding area. The traditional school district that the student resides in is referred to as the Resident District.

**Note 2:** Districts representing less than 1 percent of the student population are combined under the heading "All Other Districts."

**Source:** Ohio Department of Education



Hope Academy University Campus  
Miscellaneous Statistics

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**School Address:** 107 South Arlington  
Akron, Ohio 44306

**Square Footage:** 18,237 sq. ft.

**Date of Incorporation:** 06/04/1998

**Number of FY 08  
Instructional Staff:** 26

**Total FY 08 Staff:** 42

**Student/Instructional  
Staff Ratio:** 12:1

**Percent of  
Free/Reduced Lunch:** 90.83%

**Source: School Records**

} **Note: All Staff are employees of WHLS of Ohio, LLC. See Note 9 in Notes to the Basic Financial Statements.**





**Mary Taylor, CPA**  
Auditor of State

**HOPE ACADEMY UNIVERSITY CAMPUS**

**SUMMIT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 9, 2009**