Newburgh Heights Community School Foundation, Inc. dba Washington Park Community School Cuyahoga County

Basic Financial Statements

Fiscal Years Ended June 30, 2010 and 2009

Mary Taylor, CPA
Auditor of State

Board of Trustees
Newburg Heights Community School Foundation, Inc. dba Washington Park Community School
4000 Washington Park Blvd.
Newburg Heights, Ohio 44105

We have reviewed the *Independent Auditor's Report* of the Newburg Heights Community School Foundation, Inc. dba Washington Park Community School, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Newburg Heights Community School Foundation, Inc. dba Washington Park Community School is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 16, 2010

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NEWBURGH HEIGHTS COMMUNITY SCHOOL FOUNDATION, INC., DBA
WASHINGTON PARK COMMUNITY SCHOOL
CUYAHOGA COUNTY

For the Fiscal Years Ended June 30, 2010 and 2009
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Rea & Associates, Inc.
ACCOUNTANTS AND BUSINESS CONSULTANTS
Focused on Your Future.

November 8, 2010

The Board of Directors
Newburgh Heights Community School Foundation, Inc., dba
Washington Park Community School
4000 Washington Park Boulevard
Newburgh Heights, Ohio 44106

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Washington Park Community School (the School), as of and for the years ended June 30, 2010 and 2009, which comprises the School's basic financial statements 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Washington Park Community School, as of June 30, 2010 and 2009, and the respective changes in financial position and cash flows for the years 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 November 8, 2010 on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 7 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Rea & Associates, Inc.

The discussion and analysis of Newburgh Heights Community School Foundation, Inc., dba Washington Park Community School's (the "School") financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2010 and 2009. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review the Notes to the Basic Financial Statements and the Basic Financial Statements to enhance their understanding of the School's financial performance.

Certain comparative information between the current fiscal year and the prior fiscal year is required to be presented in the MD&A. Due to the comparative presentation within the basic financial statements, a comparison analysis between fiscal year 2009 and fiscal year 2008 is also required.

Financial Highlights

Key financial highlights for 2010 are as follows:

- In total, net assets increased $219,888, which represents a 27% increase from 2009. This increase is due primarily to an increase in federal and state subsidies.

- Total assets increased $222,718, which represents a 22% increase from 2009. This increase is due primarily to an increase in cash and investments.

- Current liabilities, which are made up of accrued wages and benefits and accounts payable, decreased $20,701 which represents an approximately 11% decrease from 2009.

- Noncurrent liabilities increased $23,531 from 2009. This increase is due to the School entering into a new copier lease agreement.

- Operating revenues decreased by $131,509, which represents an 8% decrease from 2009. The majority of this decrease is due to decreased enrollment resulting in decreased state funding.

- Operating expenses decreased by $38,312, which represents an approximate 2% decrease from 2009. Operating expense decreases are due primarily to a decrease in materials and supplies.

- Non-operating revenues increased by $205,615, which represents a 51% increase from 2009. This increase is due to increased State and Federal grants.

Using this Annual Financial Report

This annual report consists of three parts, the Management's Discussion and Analysis, the Basic Financial Statements and the Notes to the Basic Financial Statements. The Basic Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets and a Statement of Cash Flows.

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets answer the question, "How did we do financially during fiscal year 2010 and 2009?" The Statement of Net Assets includes all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most companies in the private sector. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

Statement of Net Assets

The following schedule provides a summary of the School's Statement of Net Assets for fiscal years ended June 30, 2010, 2009 and 2008:

Assets	2010	2009	2008
Current assets:			
Equity in pooled cash and cash equivalents	$ 836,861	$ 686,838	$ 609,029
Investments	100,187	102,770	0
Due from other governments	57,888	19,628	46,238
Total current assets	994,936	809,236	655,267
Noncurrent assets:			
Capital assets (net of accumulated depreciation)	230,215	193,197	224,684
Total assets	1,225,151	1,002,433	879,951
Liabilities			
Current liabilities:			
Accounts payable	207	6,624	5,228
Accrued wages and benefits	165,289	179,573	165,957
Total current liabilities	165,496	186,197	171,185
Noncurrent liabilities:			
Due within one year	4,807	0	0
Due in more than one year	18,724	0	0
Total noncurrent liabilities	23,531	0	0
Total liabilities	189,027	186,197	171,185
Net Assets			
Invested in capital assets	206,684	193,197	224,684
Unrestricted	829,440	623,039	484,082
Total net assets	$ 1,036,124	$ 816,236	$ 708,766

In 2010, net assets increased $200,574 and $107,470 in 2009. The increase is primarily due to increased State and Federal subsidies and grants. For assets, cash and investments increased $147,440 in 2010 and $180,579 in 2009; due from other governments increased $38,260 in 2010 and decreased $26,610 in 2009; and capital assets increased $37,018 in 2010 and decreased $31,487 in 2009. For liabilities, accrued wages and benefits decreased $14,284 in 2010 and increased $13,616 in 2009. Accounts payable decreased $6,417 in 2010 and increased $1,396 in 2009. Noncurrent liabilities increased $23,531 in 2010. Causes of these changes were discussed in the Financial Highlights section.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets report operating and nonoperating activities for the fiscal years ended June 30, 2010 and 2009.

The following schedule provides a summary of the School's Statement of Revenues, Expenses and Changes in Net Assets for fiscal years ended June 30, 2010, 2009 and 2008:

	2010	2009	2008
Revenues			
Foundation and DPIA Revenues	$ 1,611,303	$ 1,739,692	$ 1,697,192
Other Operating Revenue	9,193	12,313	15,856
Federal and State Grants	603,986	390,052	298,697
Investment income	3,054	11,373	18,919
Charges for services	0	0	1,032
Total Revenues	2,227,536	2,153,430	2,031,696
Expenses			
Salaries	1,127,703	1,117,871	1,086,372
Fringe Benefits	315,334	340,005	313,030
Purchased Services	301,912	308,102	372,815
Materials and Supplies	172,848	186,195	130,790
Depreciation	31,532	31,487	56,091
Other Operating Expenses	58,319	62,300	56,321
Total Expenses	2,007,648	2,045,960	2,015,419
Net Income	219,888	107,470	16,277
Net Assets at Beginning of Year	816,236	708,766	692,489
Net Assets at End of Year	$ 1,036,124	$ 816,236	$ 708,766

Net assets increased in fiscal years ended June 30, 2010, 2009 and 2008. Increases in 2010, 2009 and 2008 were due in part, to increased revenues generated from the increase in enrollment, an increase in Federal and State subsidies, and also Disadvantaged Pupil Impact Aid (DPIA) funding. Although certain expenditures such as salaries will increase as the number of classes increase, other costs remain fixed such as facilities costs resulting in more efficient operations. The increased student population has been the result of additional grade levels. The school does not presently intend to add more grade levels, so the increase in revenues will probably not increase in the near future. For that reason, school management is wary of the increasing bottom line and plans to begin an investment program to most appropriately capitalize on present assets.

The most significant increases in revenues are from Federal and State subsidies, which increased $213,934 in 2010 and $91,355 in 2009; Other Operating Revenues decreased $3,120 in 2010 and decreased by $3,543 in 2009.

Salaries and Fringe Benefits decreased $14,839 in 2010 due to decreased staffing and increased $58,474 in 2009 due to additional staffing and annual increases. Purchased Services decreased $6,190 in 2010 and decreased $64,713 in 2009. Materials and supplies decreased $13,347 in 2010 and increased by $55,405 in 2009. Depreciation increased $45 in 2010 due to asset purchases and decreased $24,604 in 2009 due to aging assets becoming fully depreciated.

Capital Assets

As of June 30, 2010, the School had capital assets of $230,215 invested in furniture and equipment and leasehold improvements. This is a $37,018 increase over June 30, 2009. This was primarily the result of additional purchases and a new capital lease.

The following schedule provides a summary of the School's capital assets as of June 30, 2010, 2009 and 2008:

	2010	2009	2008
Capital Assets (Net of Depreciation)			
Furniture and Equipment	$ 100,330	$ 54,915	$ 78,005
Leasehold Improvements	129,885	138,282	146,679
Net Capital Assets	$ 230,215	$ 193,197	$ 224,684

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

Current Financial Issues

Washington Park Community School had a total of 226 students, 24 teaching staff members and expenses of $2,007,648 for fiscal year ended June 30, 2010. As the School matures, we strive to maintain the high level of services we currently offer, to provide a strong educational product to our students and families and to maintain the reputation we have developed during these initial years.

Contacting the School's Financial Management

This financial report is designed to provide our constituents with a general overview of the School's finances and to show the School's accountability for the monies it receives. If you have any questions about this report or need additional information, please contact Ms. Beth Hargreaves, Treasurer, Newburgh Heights Community School Foundation, Inc., dba Washington Park Community School, 4000 Washington Park Boulevard, Newburgh Heights, Ohio 44105.

Newburgh Heights Community School Foundation, Inc., dba
Washington Park Community School
Statements of Net Assets
June 30, 2010 and 2009

	2010	2009
Assets		
Current assets:		
Equity in pooled cash and cash equivalents	$ 836,861	$ 686,838
Investments	100,187	102,770
Due from other governments	57,888	19,628
Total current assets	994,936	809,236
Noncurrent assets:		
Capital assets (net of accumulated depreciation)	230,215	193,197
Total assets	1,225,151	1,002,433
Liabilities		
Current liabilities:		
Accounts payable	207	6,624
Accrued wages and benefits	165,289	179,573
Total current liabilities	165,496	186,197
Noncurrent liabilities:		
Due within one year	4,807	0
Due in more than one year	18,724	0
	23,531	0
Total liabilities	189,027	186,197
Net assets		
Invested in capital assets, net of debt	206,684	193,197
Unrestricted	829,440	623,039
Total net assets	$ 1,036,124	$ 816,236

See accompanying notes to the basic financial statements.

Newburgh Heights Community School Foundation, Inc., dba
Washington Park Community School
Statements of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Years Ended June 30, 2010 and 2009

	2010	2009
Operating revenues		
Foundation payments	$ 1,611,303	$ 1,739,692
Other operating revenues	9,193	12,313
Total operating revenues	1,620,496	1,752,005
Operating expenses		
Salaries	1,127,703	1,117,871
Fringe benefits	315,334	340,005
Purchased services	301,912	308,102
Materials and supplies	172,848	186,195
Depreciation	31,532	31,487
Other operating expenses	58,319	62,300
Total operating expenses	2,007,648	2,045,960
Operating income (loss)	(387,152)	(293,955)
Non operating revenues (expenses)		
Federal and State subsidies	603,986	390,052
Investment income	3,054	11,373
Total non-operating revenues (expenses)	607,040	401,425
Change in net assets	219,888	107,470
Net assets at beginning of year	816,236	708,766
Net assets at end of year	$ 1,036,124	$ 816,236

See accompanying notes to the basic financial statements.

Newburgh Heights Community School Foundation, Inc., dba
Washington Park Community School
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2010 and 2009

	2010	2009
Increase (decrease) in cash		
Cash flows from operating activities:		
Cash received from State of Ohio	$ 1,573,043	$ 1,766,302
Cash payments to suppliers for goods and services	(481,177)	(492,901)
Cash payments to employees for services	(1,457,321)	(1,444,260)
Other operating revenues	9,193	12,313
Other operating expenses	(58,319)	(62,300)
Net cash provided by (used for) operating activities	(414,581)	(220,846)
Cash flows from non-capital financing activities:		
Federal and State grants received	603,986	390,052
Net cash provided by (used for) non-capital activities	603,986	390,052
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(41,670)	0
Principal payments on capital lease	(3,349)	0
Net cash provided by (used for) capital and related financing activities	(45,019)	0
Cash flows from investing activities:		
Investment earnings	3,054	11,373
Proceeds/(purchase) of investments	2,583	(102,770)
Net cash provided by (used for) investing activities	5,637	(91,397)
Net increase (decrease) in cash and cash equivalents	150,023	77,809
Cash and cash equivalents at beginning of year	686,838	609,029
Cash and cash equivalents at end of year	$ 836,861	$ 686,838
Reconciliation of operating income (loss) to net cash Provided By (Used For) Operating Activities:		
Operating income (loss)	$ (387,152)	$ (293,955)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	31,532	31,487
(Increase) decrease in assets:		
Due from other governments	(38,260)	26,610
Increase (decrease) in liabilities:		
Accounts payable	(6,417)	1,396
Accrued wages and benefits	(14,284)	13,616
Total adjustments	(27,429)	73,109
Net cash provided by (used for) operating activities	$ (414,581)	$ (220,846)

Noncash transaction: During fiscal year 2010, the School entered into a capital lease in the amount of $26,880.

See accompanying notes to the basic financial statements.

I. Description of the School and Reporting Entity

Newburgh Heights Community School Foundation, Inc., dba, Washington Park Community School (the "School") is a non-profit 501(c)(3) corporation established pursuant to Ohio Revised Code Chapters 3314 and 3314.03 to establish a new start-up school in Cleveland Municipal School. The School, which is part of the State's education program, is independent of any School and is nonsectarian in its programs, admission policies, employment practices and all other operations. The School may sue and be sued, acquire facilities as needed and contract for any services necessary for the operation of the School. Management is not aware of any course of action or series of events that have occurred that might adversely affect the School's tax-exempt status.

The School was reassigned for operation under a contract with the Ohio Department of Education to the Lucas County Educational Service Center (the Sponsor) for a period of five years commencing in the 2006 academic year. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School operates under the direction of a self-appointing, five-member Board of Trustees (the "Board"). The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualifications of teachers. The Board controls the School's one instructional/support facility staffed by 14 non-certificated employees and 24 certificated full-time teaching personnel who provide services to approximately 226 students.

II. Summary of Significant Accounting Policies

The financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The School also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities unless those pronouncements conflict with or contradict GASB pronouncements. The School has elected not to follow FASB guidance for its proprietary activities issued after November 30, 1989. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification.

The following are the most significant of the School's accounting policies.

1. Basis of Presentation

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

2. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment 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 (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenses are recognized in the financial records and reported in the financial statements. The School's financial statements are prepared using the accrual basis of accounting. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded when the exchange takes place. Revenues resulting from nonexchange transactions, in which the School receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. Expenses are recognized at the time they are incurred.

3. Cash

Cash held by the School is reflected as "Equity in pooled cash and cash equivalents" on the statement of net assets. Investments with an original maturity of three months or less at the time they are purchased are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments. During fiscal year 2010, the School invested in one long term negotiable certificate of deposit.

4. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, except section 5705.391 which requires the School to prepare a five year projection of operational revenues and expenditures.

5. Due From Other Governments

Monies due the School for the year ended June 30, 2010 and 2009 are recorded as "Due from other governments". A current asset for the receivable is recorded at the time of the event causing the monies to be due.

6. Capital Assets and Depreciation

Capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the dates received. The School does not possess any infrastructure.

Leasehold improvements are also capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Depreciation of furniture and equipment and leasehold improvements is computed using the straight-line method over their estimated lives. All items with a useful life of one year or greater and a value of $1,000 or more are capitalized. The School will also capitalize any purchases that are considered a "controlled" type asset per school policy, although it may be valued at less than $1,000.

Capital Asset Classification	Years
Furniture and Equipment	5 - 10
Leasehold Improvements	5 - 39

7. Intergovernmental Revenues

The School currently participates in the State Foundation Program, the State Poverty Aid Program, the State Meals Program, the EMIS Subsidy Program, the Food Service Federal Grant Program, the IDEA Part B Program, Title I, Title II-A, Title II-D, Title V, Title IV-A, and the Fiscal Stabilization Program. Revenues from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met.

Amounts received under the above named programs for the 2010 and 2009 school years totaled $2,215,289 and $2,129,744 respectively.

8. Compensated Absences

Vacation is taken in a manner which corresponds with the School calendar; therefore, the School does not accrue vacation time as a liability.

Sick leave benefits are earned at the rate of one day per month and cannot be carried into the subsequent year. No accrual for sick time is made since unused sick time is not paid to employees upon employment termination.

9. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

III. Deposits and Investments

Deposits At fiscal years ended June 30, 2010 and 2009, the carrying amount of the School's deposits totaled $727,424 and $581,669, respectively and its bank balances were $766,314 and $627,368, respectively. Of the bank balances:

1. $766,314 was covered by the Federal Depository Insurance Corporation for fiscal year ended June 30, 2010 and $627,368 for fiscal year ended June 30, 2009. The Ohio Depository Act stipulates that

FirstMerit Bank pledge collateral for the deposits of the School in a pool of securities under Section 135.181 of the Ohio Revised Code.

2. $-0- was uninsured and uncollateralized for fiscal years ended June 30, 2010 and 2009. Although the securities serving as collateral were held by the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School to a successful claim by the FDIC.

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of the School's cash and deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Investments

Investments are reported at fair value. As of June 30, 2010 and June 30, 2009, the School had the following investments:

As of June 30, 2010	Fair Value	Investment Maturities (in years) 0-1	Investment Maturities (in years) 1-2	Percent of Total	Ratings by Moody's
Money Market Mutual Fund	$ 109,437	$ 109,437	$ 0	52%	N/A
Negotiable CD	100,187	100,187	0	48%	Baa2
	$ 209,624	$ 209,624	$ 0	100%	

As of June 30, 2009	Fair Value	Investment Maturities (in years) 0-1	Investment Maturities (in years) 1-2	Percent of Total	Ratings by Moody's
Money Market Mutual Fund	$ 105,169	$ 105,169	$ 0	51%	N/A
Negotiable CD	102,770	0	102,770	49%	Baa2
	$ 207,939	$ 105,169	$ 102,770	100%	

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The School's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the School.

Credit Risk: The School's investments at June 30, 2010 and June 30, 2009 are made up of a money market mutual fund, and a negotiable CD, which matures on July 23, 2010 and is FDIC insured.

Custodial Credit Risk – For an investment, custodial risk is that risk that, in the event of failure of the counterparty, the School will no longer be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The School places no limit on the amount the School may invest in any one issuer. Deposits are either covered by the Federal Depository Insurance Corporation or secured with pledged collateral, held and in the name of the pledging institution, in which the investments are held.

Protection of School's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

IV. Capital Assets

A summary of the School's capital assets at June 30, 2010 and 2009 follows:

	Balance 7/1/2009	Additions	Deletions	Balance 6/30/2010
Capital Assets, Being Depreciated:				
Furniture and Equipment	$ 147,606	$ 68,550	$ 0	$ 216,156
Leasehold Improvements	354,633	0	0	354,633
Total Capital Assets, Being Depreciated	502,239	68,550	0	570,789
Less Accumulated Depreciation:				
Furniture and Equipment	(92,691)	(23,135)	0	(115,826)
Leasehold Improvements	(216,351)	(8,397)	0	(224,748)
Total Accumulated Depreciation	(309,042)	(31,532)	0	(340,574)
Total Capital Assets, Net	$ 193,197	$ 37,018	$ 0	$ 230,215

	Balance 7/1/2008	Additions	Deletions	Balance 6/30/2009
Capital Assets, Being Depreciated:				
Furniture and Equipment	$ 147,606	$ 0	$ 0	$ 147,606
Leasehold Improvements	354,633	0	0	354,633
Total Capital Assets, Being Depreciated	502,239	0	0	502,239
Less Accumulated Depreciation:				
Furniture and Equipment	(69,601)	(23,090)	0	(92,691)
Leasehold Improvements	(207,954)	(8,397)	0	(216,351)
Total Accumulated Depreciation	(277,555)	(31,487)	0	(309,042)
Total Capital Assets, Net	$ 224,684	$ (31,487)	$ 0	$ 193,197

V. Purchased Services

For the following fiscal year ended, purchased services reported on the Statement of Revenues, Expenses, and Changes in Net Assets consisted of the following:

	2010	2009
Consulting Fees	$ 140,523	$ 124,880
General Services	161,389	183,222
Total	$ 301,912	$ 308,102

VI. Risk Management

1. Property and Liability Insurance

The School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2010, the School contracted with Indiana Insurance Company for property and general liability insurance with a $2,000,000 aggregate limit.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

2. Workers' Compensation

The School makes premium payments to the State Workers' Compensation System for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

3. Employee Medical, Dental and Vision Benefits

The School has contracted with a private carrier to provide its full-time salaried employees medical/surgical benefits. The School paid premiums, up to $250 per month per employee, for this coverage.

VII. Defined Benefit Pension Plans

1. School Employees Retirement System

Plan Description – The School contributes to the School Employees Retirement System of Ohio ("SERS"), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

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 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 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The remaining 1.22 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The School's contributions to SERS for pension obligations for the years ended June 30, 2010, 2009 and 2008 were $33,330, $27,942 and $19,326, respectively; 47 percent has been contributed for fiscal year 2010 and 100 percent for the fiscal years 2009 and 2008. $18,612 represents the unpaid contribution for fiscal year 2010, and is recorded as a liability within the respective funds.

2. State Teachers Retirement System

Plan Description – The School participates in the State Teachers Retirement System of Ohio ("STRS Ohio"), a cost-sharing, multiple-employer defined benefit pension plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly-available, stand-alone financial report that includes financial statements and required supplementary information. That report 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.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to allocate their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment accounts. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined

Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may quality 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, 2010, 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 2009 (the latest information available), 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 employer contributions.

The School's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2010, 2009 and 2008 were $95,542, $94,922 and $97,372, respectively; 81 percent has been contributed for fiscal year 2010 and 100 percent for the fiscal years 2009 and 2010. Contributions to the DC and Combined Plans for fiscal year 2010 were $4,801 made by the School and $9,220 made by the plan members. $20,151 represents the unpaid contribution for fiscal year 2010, and is recorded as a liability within the respective funds.

3. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. The Board's liability is 6.2 percent of wages paid.

VIII. Post Employment Benefits

1. State Teachers Retirement System

Plan Description – The School contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) 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 premium. The Plan is included in the report of STRS Ohio which may be obtained by visiting 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 2010, 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 fiscal years ended June 30, 2010, 2009 and 2008 were $8,238, $9,697 and $10,590, respectively.

2. School Employees Retirement System

Plan Description — The School participates in two cost-sharing multiple employer defined benefit OPEB plans administered by SERS for non-certified 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 SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report.* The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Employers/Audit Resources.*

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 2010, .46 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 2010, 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 the years ended June 30, 2010, 2009 and 2008 were $1,248, $10,680 and $3,634, respectively.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2010, the actuarially required allocation was .76 percent. The School's contributions for the years ended June 30, 2010, 2009 and 2008 were $2,062, $1,686, and $744, respectively, which equaled the required contributions each year.

IX. Jointly Governed Organization

The Stark Portage Area Computer Consortium (SPARCC) is a jointly governed organization comprised of 28 Schools. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts. Each of the governments of these districts supports SPARCC based upon a per pupil charge dependent upon the software package utilized. The SPARCC assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent. SPARCC is governed by a board of directors chosen from the general membership of the SPARCC assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least one assembly member from each county in which participating districts are located. Financial information can be obtained by contacting the Treasurer at the Stark County Educational Services Center, which serves as fiscal agent, located at 2100 38th Street, NW, Canton, Ohio 44709. During the years ended June 30, 2010 and 2009, the School paid $5,770 and $6,215, respectively to SPARCC for basic service charges.

X. Contingencies

1. Grants

The School received financial assistance form Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting for such audits could become a liability of the School. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2010.

2. Enrollment FTE

The Ohio Department of Education conducts reviews of enrollment 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. FTE adjustments for 2009 were $2,714. As of the date of this report, adjustments to the state funding received during fiscal year 2010 are immaterial and not reflected in the financial statements.

XI. Rental Agreement

Effective July 1, 2006, the School entered into a rental agreement with the Village of Newburgh Heights, Ohio, for the use of classrooms and office space. This agreement commenced on July 1, 2006 and was for the period of five years with a one year renewal option. Rental Expense for fiscal year 2010 and 2009 was $78,000 respectively.

XII. Charter School Funding

On October 25, 2006, the Ohio Supreme Court ruled that publicly funded, privately operated community (i.e. charter) schools are constitutional.

XIII. Capital Leases

During fiscal year 2010, the School entered into a capitalized lease for copiers. This lease meets the criteria of a capital lease as defined by accounting standards, which defines a capital lease generally as one which transfers benefits and risks of ownership of the lessee.

Capital assets consisting of furniture and fixtures have been capitalized in the amount of $26,880. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments during fiscal year 2010 totaled $3,349. The following is a schedule of the future minimum lease payments as of June 30, 2010.

Fiscal Year Ending June 30,	Amount
2011	$ 6,606
2012	6,606
2013	6,606
2014	6,606
2015	1,652
Total Minimum Lease Payments	28,076
Less Amount Representing Interest	(4,545)
Present Value of Minimum Lease Payments	$ 23,531

Rea & Associates, Inc.
ACCOUNTANTS AND BUSINESS CONSULTANTS
Focused on Your Future.

November 8, 2010

To the Board of Directors
Newburgh Heights Community School Foundation, Inc., dba
Washington Park Community School
Cuyahoga County, Ohio
4000 Washington Park Boulevard
Newburgh Heights, Ohio 44105

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

We have audited the accompanying financial statements of Washington Park Community School as of and for the year ended June 30, 2010, and have issued our report thereon dated November 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Washington Park Community School's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and timely corrected.

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

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*.

This report is intended solely for the information and use of the Board of Directors, management, community school sponsor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Rea & Associates, Inc.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

November 8, 2010

To the Board of Directors
Newburgh Heights Community School Foundation, Inc., dba
Washington Park Community School
Cuyahoga County, Ohio
4000 Washington Park Boulevard
Newburgh Heights, Ohio 44105

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

Compliance

We have audited the compliance of Washington Park Community School with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Washington Park Community School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School's management. 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 obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

In our opinion, the School complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB circular A-133, 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 *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Washington Park Community School as of and for the year ended June 30, 2010, and have issued our report thereon dated November, 8 2010. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors, management, community school sponsor, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specific parties.

Rea & Associates, Inc.

WASHINGTON PARK COMMUNITY SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Year	Cash Receipts	Non-Cash Receipts	Cash Disbursements	Non-Cash Disbursements
U. S. Department of Education						
Passed Through the Ohio Department of Education:						
Title I - 2010	84.010	2010	$ 178,276	$ 0	$ 178,407	$ 0
Title I - 2009	84.010	2009	13,113	0	18,095	0
ARRA - Title I	84.389	2010	60,034	0	50,241	0
Total Title I Cluster			251,423	0	246,743	0
Title II-A - Improving Teacher Quality - 2010	84.367	2010	8,866	0	11,051	0
Total Title II-A - Improving Teacher Quality			8,866	0	11,051	0
Special Education Cluster:						
IDEA Part B - 2010	84.027	2010	50,530	0	49,458	0
IDEA Part B - 2009	84.027	2009	5,659	0	6,050	0
ARRA - IDEA Part B - 2010	84.391	2010	16,110	0	19,090	0
Total IDEA Part B			72,298	0	74,598	0
Safe and Drug-Free Schools - 2010	84.186	2010	2,281	0	2,476	0
Total Safe and Drug-Free Schools			2,281	0	2,476	0
Title V - State Grants for Innovative Programs	84.298	2009	91	0	0	0
Total Title V - State Grants for Innovative Programs			91	0	0	0
Technology Literacy Challenge Fund Grant	84.318	2010	1,840	0	1,642	0
Technology Literacy Challenge Fund Grant	84.318	2009	54	0	632	0
Total Technology Literacy Challenge Fund Grant			1,894	0	2,274	0
ARRA - State Fiscal Stabilization Fund	84.394	2010	109,850	0	109,959	0
Total State Fiscal Stabilization Fund			109,850	0	109,959	0
Total U.S. Department of Education			446,704	0	447,101	0
U. S. Department of Agriculture						
Passed Through the Ohio Department of Education:						
Child Nutrition Cluster:						
School Breakfast Program (B)	10.553	2010	47,943	0	47,943	0
Total School Breakfast Program			47,943	0	47,943	0
National School Lunch Program (Food Distribution) (A)(B)	10.555	2010	0	938	0	938
National School Lunch Program (B)	10.555	2010	63,455	0	63,455	0
Total National School Lunch Program			63,455	938	63,455	938
Total Child Nutrition Cluster			111,398	938	111,398	938
Total U.S. Department of Agriculture			111,398	938	111,398	938
TOTAL FEDERAL FINANCIAL ASSISTANCE			$ 558,103	$ 938	$ 558,499	$ 938

WASHINGTON PARK COMMUNITY SCHOOL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2010

(A) Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance and related expenditures are reported in this schedule at the value of the commodities received as assessed by the U.S. Department of Agriculture (entitlement value).
(B) Federal money commingled with state subsidy reimbursements. It is assumed federal moneys are expended first.
(C) The School District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with ODE's approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the School District a total of 27 months to spend the assistance. Schools can document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the cost centers. During fiscal year 2010, the Ohio Department of Education (ODE) authorized the following transfers:

CFDA Number / Grant Title		Grant Year	Transfer In	Transfer Out
84.010	Title I	2010	$ 221	
84.010	Title I	2009		$ 221
84.367	Title II-A: Improving Teacher Quality	2010	626	
84.367	Title II-A: Improving Teacher Quality	2009		626
84.318	Title II-D: Technology Literacy Challenge Fund	2010	6	
84.318	Title II-D: Technology Literacy Challenge Fund	2009		6
84.173	Early Childhood Special Education	2010	560	
84.173	Early Childhood Special Education	2009		560

WASHINGTON PARK COMMUNITY SCHOOL
CUYAHOGA COUNTY, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, Section .505
JUNE 30, 2010

1. SUMMARY OF AUDITOR'S RESULTS

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Were there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	Title I Cluster CFDA # 84.010 & 84.389 ARRA – State Fiscal Stabilization Fund CFDA # 84.394
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > $300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	No

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

No Findings noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No Findings noted.

Mary Taylor, CPA
Auditor of State

NEWBURG HEIGHTS COMMUNITY SCHOOL FOUNDATION dba WASHINGTON PARK COMMUNITY SCHOOL

CUYAHOGA 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
DECEMBER 30, 2010