

**Hope Academy Brown Street Campus
Summit County**

* * * *

Audit Report Letters

June 30, 2010



Dave Yost • Auditor of State

Board of Directors
Hope Academy Brown Street Campus
1035 Clay Street
Akron, Oh 44301

We have reviewed the *Independent Auditor's Report* of the Hope Academy Brown Street Campus, Summit 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 Hope Academy Brown Street Campus is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 21, 2011

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**Hope Academy Brown Street Campus
Summit County**

Audit Report Letters

June 30, 2010

Table of Contents

	Page
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	1
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect On Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.....	3
Schedule of Expenditures of Federal Awards.....	5
Notes to the Schedule of Expenditures of Federal Awards.....	6
Schedule of Findings and Questioned Costs.....	7



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 15, 2010

To the Board of Directors
Hope Academy Brown Street Campus
1035 Clay Street
Akron, OH 44301

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the Hope Academy Brown Street Campus (the School) as of and for the year ended June 30, 2010, which collectively comprise the School's basic financial statements and have issued our report thereon dated December 15, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion 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, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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 over financial reporting that might be deficiencies, 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

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

Hea & Associates, Inc.



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 15, 2010

To the Board of Directors
Hope Academy Brown Street Campus
1035 Clay Street
Akron, Oh 44301

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

Compliance

We have audited the compliance of the Hope Academy Brown Street Campus with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The Hope Academy Brown Street Campus' 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 Hope Academy Brown Street Campus' management. Our responsibility is to express an opinion on Hope Academy Brown Street Campus' 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 Hope Academy Brown Street Campus' 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 Hope Academy Brown Street Campus' compliance with those requirements.

In our opinion, Hope Academy Brown Street Campus complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of Hope Academy Brown Street Campus 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 Hope Academy Brown Street Campus' 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 Hope Academy Brown Street Campus' 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 Hope Academy Brown Street Campus as of and for the year ended June 30, 2010, and have issued our report thereon dated December 15, 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, audit committee, others within the school, the School's 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.

Hea & Associates, Inc.

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA #	Grant Year	Revenues	Expenses
U. S. Department of Education				
<i>Passed Through Ohio Department of Education:</i>				
<i>Title I Cluster</i>				
Title I	84.010	2010	\$ 231,037	\$ 231,037
ARRA - Title I	84.389	2010	90,260	90,260
<i>Total Title I Cluster</i>			<u>321,297</u>	<u>321,297</u>
<i>Special Education Cluster</i>				
Special Education IDEA Part B	84.027	2010	54,146	54,146
ARRA - Special Education IDEA Part B	84.391	2010	36,461	36,461
<i>Total Special Education Cluster</i>			<u>90,607</u>	<u>90,607</u>
Safe and Drug-Free Schools	84.186	2010	2,174	2,174
Technology Literacy Challenge Fund Grant	84.318	2010	2,428	2,428
Improving Teacher Quality	84.367	2010	32,126	32,126
ARRA - State Fiscal Stabilization Fund	84.394	2010	120,958	120,958
<i>Total U.S. Department of Education</i>			<u>569,590</u>	<u>569,590</u>
U. S. Department of Agriculture				
<i>Passed Through the Ohio Department of Education:</i>				
ARRA - School Lunch Equipment	10.579	2010	5,357	5,357
<i>Child Nutrition Cluster:</i>				
School Breakfast Program	10.553	2010	55,628	55,628
National School Lunch Program	10.555	2010	97,207	97,207
<i>Total Child Nutrition Cluster</i>			<u>152,835</u>	<u>152,835</u>
<i>Total U.S. Department of Agriculture</i>			<u>158,192</u>	<u>158,192</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 727,782</u>	<u>\$ 727,782</u>

The accompanying notes are an integral part of this schedule.

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards summarizes activity of the School's federal awards programs. This 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. There were no transfers of federal funds from fiscal year 2009 to fiscal year 2010.

**HOPE ACADEMY BROWN STREET CAMPUS
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 , SECTION .505
FOR THE YEAR ENDED 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 deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was 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 in internal control 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; 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

None were noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None were noted.

Comprehensive Annual Financial Report

For the Year Ended June 30, 2010



HOPEACADEMIES

There is HOPE
for every child

Hope Academy Brown Street Campus

Akron, Ohio

Hope Academy Brown Street Campus Akron, Ohio

Comprehensive Annual Financial Report For the Year Ended June 30, 2010

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

HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

TABLE OF CONTENTS

Title	Page
INTRODUCTORY SECTION	
Letter of Transmittal.....	i
Board of Directors.....	iv
Organizational Chart.....	v
Government Finance Officers Association Certificate.....	vi
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Statement of Net Assets	7
Statement of Revenues, Expenses, and Changes in Net Assets.....	8
Statement of Cash Flows	9
Notes to the Basic Financial Statements	11
STATISTICAL TABLES	
Operating Expenses by Category - Last Ten Fiscal Years	24
Operating and Non-Operating Revenues - Last Ten Fiscal Years.....	25
Full Time Equivalent (FTE) Enrollment - Last Ten Fiscal Years	26
Grant Revenues by Source - Last Ten Fiscal Years	27
Net Assets - Last Ten Fiscal Years	28
State Basic Aid - Per Pupil Funding Amount - Last Ten Fiscal Years.....	29
Student Population by Resident District - 2010 Fiscal Year.....	30
Miscellaneous Statistics.....	31

Introductory Section

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1035 Clay Street
Akron, Ohio 44301

(330) 785-0180 (P)
(330) 785-0681 (F)

www.hope-academies.com

December 15th, 2010

Hope Academy Brown Street Campus Community
Members of the Board of Directors

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Hope Academy Brown Street Campus (the School) for the fiscal year ended June 30, 2010. 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 Auditor's 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). Rea & Associate's, Inc. rendered an opinion on the School's financial statements as of June 30, 2010 and the Independent Auditor's 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 Auditor's Report and provides an assessment of the School's finances for fiscal year 2010 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 sponsor, the Ohio Council for Community Schools. The Ohio Council for Community Schools provides oversight and advisory services to 50 community schools throughout the State serving nearly 20,000 children.

Hope Academy Brown Street Campus is an elementary school offering grades K-8. The School, which first opened its doors in August of 1998 is located on the outskirts of the City of Akron, Ohio and is run by a four member Board of Directors. The School has contracted with HA Brown Street, LLC a subsidiary of White Hat Management, LLC (the Company) to operate the School on a day-to-day basis. White Hat Management 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. 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 \$12,000 in average per pupil funding from all sources whereas the School (which is also located in the City of Akron) receives only \$9,734 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 7 for a full description of services provided by the Company.)

As discussed later, the School was funded on 257 full-time equivalent students for fiscal year 2010. 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 8 to the basic financial statements under the Financial Section includes the required information for fiscal year ended June 30, 2010.

Awards and Acknowledgements

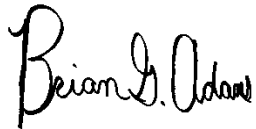
The Government Finance Officer's Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Hope Academy Brown Street Campus for its CAFR for the year ended June 30, 2009. This was the fourth year that the School has received the 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. Kennedy 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 Brown Street Campus



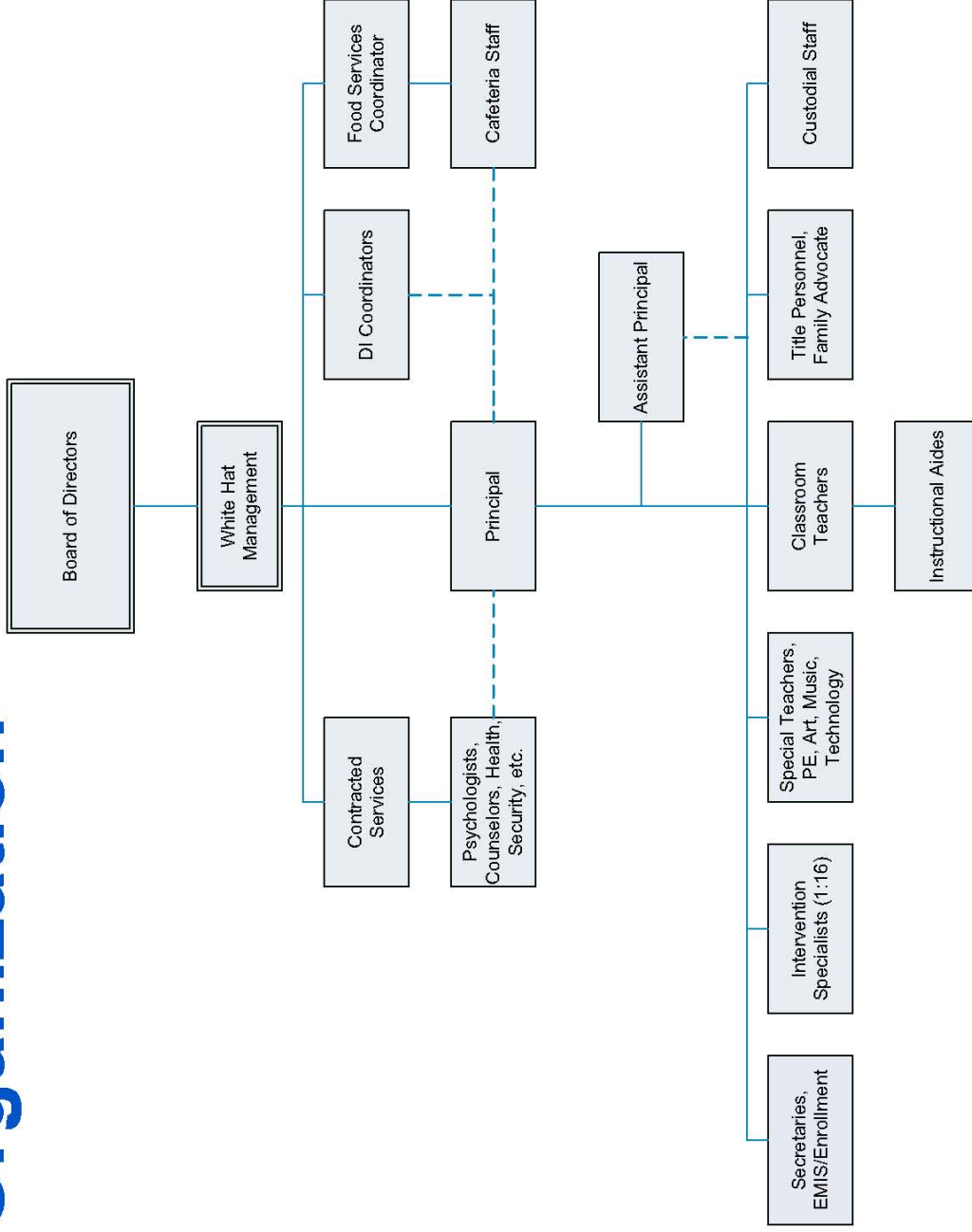
Calvin Kennedy
President, Board of Directors
Hope Academy Brown Street Campus

Hope Academy Brown Street Campus
Board of Directors
June 30, 2010

Calvin Kennedy
Dawn Lavensky
Aaron Richardson
Janice Baumann
Marsha Wise
Terri Christensen

Board President
Board Member
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
Brown Street Campus
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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.



President

Executive Director

Financial Section

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 15, 2010

To the Board of Directors
Hope Academy Brown Street Campus
1035 Clay Street
Akron, Oh 44301

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Hope Academy Brown Street Campus (the School), as of and for the year ended June 30, 2010, which collectively comprise 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 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 *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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Hope Academy Brown Street Campus, as of June 30, 2010, and the respective changes in financial position and 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 December 15, 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 6 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.

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.

Hea & Associates, Inc.

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010
(Unaudited)**

The discussion and analysis of the Hope Academy Brown Street Campus' (the School) financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2010. 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 \$25,896 which represents a 12.5 percent decrease from 2009. This decrease is primarily due to total expenses exceeding total revenues for the year. While the net reduction in assets is less than fiscal year 2009, depreciation expense kept the School from having an increase in net assets for fiscal year 2010.
- Total assets increased \$653, which represents a 0.2 percent increase from 2009. This was primarily due to an increase in receivables from the previous year.
- Liabilities increase \$26,549 which represents a 43.1 percent increase from 2009. The increase in liabilities is due to the increase in grants funding payable.

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 2010. 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 BROWN STREET CAMPUS
SUMMIT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010
(Unaudited)**

Table 1 provides a summary of the School's net assets for fiscal years 2010 and 2009.

(Table 1)
Statement of Net Assets

	2010	2009
Assets		
Current Assets	\$221,233	\$201,581
Capital Assets, Net	48,561	67,560
Total Assets	269,794	269,141
Liabilities		
Current Liabilities	88,183	61,634
Net Assets		
Investment in Capital Assets	48,561	67,560
Unrestricted	133,050	139,947
Total Net Assets	\$181,611	\$207,507

Total assets increased \$653, which represents a 0.2 percent increase from 2009. This was primarily due to an increase in receivables from the previous year. Liabilities increase \$26,549 which represents a 43.1 percent increase from 2009. The increase in liabilities is due to the increase in grants funding payable.

Statement of Revenues, Expenses and Changes in Net Assets

Table 2 shows the changes in net assets for fiscal year 2010, as well as a listing of revenues and expenses. This change in net assets is important because it tells the reader that, for the school 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 BROWN STREET CAMPUS
SUMMIT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010
(Unaudited)**

(Table 2)
Change in Net Assets

	2010	2009
Operating Revenues		
State Aid	\$1,768,969	\$1,894,755
Non-Operating Revenue		
Grants	731,250	436,893
Interest Income	1,407	2,967
Miscellaneous Non-Operating Revenue	-	6
Total Revenues	2,501,626	2,334,621
Operating Expenses		
Purchased Services: Management Fees	1,698,210	1,818,964
Purchased Services: Grant Programs	731,250	431,536
Sponsorship Fees	8,845	9,460
Legal	28,777	15,877
Auditing & Accounting	26,793	23,979
Insurance	1,292	1,462
Board of Education	3,584	3,548
Depreciation	19,000	46,890
Professional Services	1,436	2,311
Miscellaneous	4,335	2,672
Non-Operating Expenses		
Settlement Expense	4,000	-
Total Expenses	2,527,522	2,356,699
Change in Net Assets	\$ (25,896)	\$ (22,078)

The primary reason for the increase in overall revenues from 2009 was the increase in federal dollars from the federal stimulus. The School's most significant expenses, "Purchased Services" increased 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 Note 7 to the Basic Financial Statements)

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 forecast that is reviewed periodically by the Board of Directors. The five-year forecasts are also submitted to the Sponsor and the Ohio Department of Education.

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010
(Unaudited)**

Capital Assets

At the end of fiscal year 2010 the School had \$48,561 invested in Computers and Software and Leasehold Improvements, which represented a decrease of \$18,999 from 2009. Table 3 shows the Change in Capital Assets below.

(Table 3)
Capital Assets (Net of Depreciation)

	<u>2010</u>	<u>2009</u>
Computer & Software	\$ 4,285	\$ 5,558
Leasehold Improvements	44,276	62,002
Totals	<u>\$ 48,561</u>	<u>\$ 67,560</u>

For more information on capital assets, see Note 5 to the Basic Financial Statements.

Current Financial Issues

The Hope Academy Brown Street Campus received revenue for 257 students in 2010 (an increase from 2009 of 4) 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 \$6,883 in fiscal year 2010 with no increase in State Basic Aid planned in fiscal year 2010. The School receives additional revenues from grant subsidies.

On July 1, 2005, the School contracted with the Ohio Council of Community Schools (OCCS). 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. OCCS charged one half of one percent of State Aid to be paid by the School for fiscal year 2010.

In June 2010, the School contracted with Saint Aloysius Orphanage (SAO) to be its Sponsor. The Term of the Contract is from July 1, 2010 through June 30, 2013. SAO will be paid Two Percent (2%) for the time period of July 1, 2010 through June 30, 2011, Two and a half Percent (2.5%) for the time period of July 1, 2011 through June 30, 2012 and Three Percent (3%) for the remainder of the contractual period.

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 Brown Street Campus, 7215 Sawmill Rd, Suite 050, Dublin, OH 43016 or e-mail at badams@ocscltd.com.

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY**

**STATEMENT OF NET ASSETS
JUNE 30, 2010**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 145,339
Grants Receivable	<u>75,894</u>
Total Current Assets	<u>221,233</u>

Noncurrent Assets:

Depreciable Capital Assets, net	<u>48,561</u>
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Total Assets	<u>269,794</u>
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LIABILITIES

Current Liabilities

Accounts Payable	6,742
Grants Funding Payable	75,894
Payable to Schools	1,547
Settlement Payable	<u>4,000</u>

Total Liabilities	<u>88,183</u>
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NET ASSETS

Investment in Capital Assets	48,561
Unrestricted	<u>133,050</u>

Total Net Assets	<u>\$ 181,611</u>
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See accompanying notes to the basic financial statements

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY**

**STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

OPERATING REVENUES

State Aid \$1,768,969

OPERATING EXPENSES

Purchased Services: Management Fees 1,698,210

Purchased Services: Grant Programs 731,250

Sponsorship Fees 8,845

Legal and Professional 28,777

Auditing and Accounting 26,793

Insurance 1,292

Board of Education 3,584

Depreciation 19,000

Professional Services 1,436

Miscellaneous 4,335

Total Operating Expenses 2,523,522

Operating Loss (754,553)

NON-OPERATING REVENUE/(EXPENSES)

Grants 731,250

Interest Income 1,407

Settlement Expense (4,000)

Total Non-Operating Revenue/(Expenses) 728,657

Change in Net Assets (25,896)

Net Assets Beginning of Year 207,507

Net Assets End of Year \$ 181,611

See accompanying notes to the basic financial statements

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from State of Ohio	\$1,768,969
Cash Payments to Suppliers for Goods and Services	<u>(2,481,974)</u>
Net Cash Used For Operating Activities	(713,005)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash Received from Grants	<u>708,779</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Cash Received from Interest on Investments	<u>1,407</u>
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Net Decrease in Cash and Cash Equivalents (2,819)

Cash and Cash Equivalents Beginning of Year 148,158

Cash and Cash Equivalents End of Year \$ 145,339

RECONCILIATION OF OPERATING LOSS TO NET

CASH USED FOR OPERATING ACTIVITIES

Operating Loss \$ (754,553)

ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET

CASH USED FOR OPERATING ACTIVITIES

Depreciation 19,000

Changes in Assets and Liabilities:

Accounts Payable	2,373
Grants Funding Payable	19,839
Sponsor Fees Payable	(835)
Payable to Schools	<u>1,171</u>

Net Cash Used For Operating Activities \$ (713,005)

See accompanying notes to the basic financial statements

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**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Hope Academy Brown Street Campus (the School) is a federal 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 with HA Brown Street, LLC, a Nevada limited liability company, for most of its functions. WHLS of Ohio, LLC, a Nevada limited liability company ("WHLS") d/b/a White Hat Management Company, is the sole member of HA Brown Street, LLC and is the entity with which the School's board interacts regarding day-to-day operations (see note 7 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 the 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, six-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 257 students. The Board also operates and Life Skills Center 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 BROWN STREET CAMPUS
SUMMIT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(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 a demand deposit account, money market account, 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 2010, 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, 2010.

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 BROWN STREET CAMPUS
SUMMIT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(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 2010 school year totaled \$2,500,219.

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 \$48,561. Depreciation is computed by the straight-line method over three years for "Computers and Software", 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 7)

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 BROWN STREET CAMPUS
SUMMIT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

3. DEPOSITS AND INVESTMENTS

A. Deposits with Financial Institutions

At June 30, 2010, the carrying amount of all School deposits was \$138,576 and its bank balance was \$140,836. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2010, the School's bank balance of \$140,836 was covered by the Federal Deposit Insurance Corporation.

The investment and deposit of the School's monies is governed by the provisions of the ORC. In accordance with these statutes, the School is authorized to invest in United States and State of Ohio bonds, notes, and other obligations; bank certificates of deposit and STAR Ohio.

Custodial credit risk is the risk that, in the event of bank failure, the School's deposits may not be returned. The School has no deposit policy for custodial credit risk beyond the requirements of state statute. According to state law, public depositories must give security for all public funds on deposits. 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. State law does not require security for public deposits and investments to be maintained in the School's name. During 2010, the School and public depositories complied with the provisions of these statutes.

B. Investments

As of June 30, 2010, 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	\$6,763	\$6,763	\$ -	\$ -

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. The School has no investment policy that would further limit its investment choices.

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, 2010:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent to Total</u>
STAROhio	\$6,763	100.00

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

4. GRANTS FUNDING RECEIVABLE/PAYABLE

The School has recorded "Grants Funding Receivable" in the amount of \$75,894 to account for the remainder of State and Federal awards allocated to the School, but not received as of June 30, 2010.

Additionally, under the terms of the management agreement (See Note 7), the School has recorded "Grants Funding Payable" to WHLS in the amount of \$75,894 for 100 percent of any State and Federal monies uncollected or unpaid to WHLS as of June 30, 2010.

5. CAPITAL ASSETS AND DEPRECIATION

For the year ended June 30, 2010, the School's capital assets consisted of the following:

	Balance 6/30/2009	Additions	Deletions	Balance 6/30/2010
Capital Assets Being Depreciated:				
Leasehold Improvements	\$ 371,654	\$ -	\$ -	\$ 371,654
Computer & Software	<u>12,607</u>	<u>-</u>	<u>-</u>	<u>12,607</u>
Total Capital Assets Being Depreciated	<u>384,261</u>	<u>-</u>	<u>-</u>	<u>384,261</u>
Less Accumulated Depreciation:				
Leasehold Improvements	(309,652)	(17,726)	-	(327,378)
Computer & Software	<u>(7,049)</u>	<u>(1,273)</u>	<u>-</u>	<u>(8,322)</u>
Total Accumulated Depreciation	<u>(316,701)</u>	<u>(18,999)</u>	<u>-</u>	<u>(335,700)</u>
Total Capital Assets Being Depreciated Net	<u>\$ 67,560</u>	<u>\$(18,999)</u>	<u>\$ -</u>	<u>\$ 48,561</u>

6. 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 7). 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.

7. AGREEMENT WITH WHLS

Effective November 1, 2005, the School entered into a multi-year Management Agreement (Agreement) with WHLS (through its subsidiary HA Brown Street, LLC), which is an educational consulting and management company. The Agreement's term ran through June 30, 2008, was renewed for a one year term ending June 30, 2009, and was renewed for an additional one year term 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

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

7. AGREEMENT WITH WHLS (Continued)

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, 2010, to WHLS of \$2,429,460, including \$75,894 in payables due for grants at June 30, 2010. 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.

8. MANAGEMENT COMPANY EXPENSES

For the year ended June 30, 2010, White Hat Ventures, LLC and its affiliates incurred the following expenses on behalf of the School.

	2010
Expenses	
Direct Expenses:	
Salaries & wages	\$ 1,007,175
Employees' benefits	288,263
Professional & technical services	286,401
Property services	189,439
Travel	4,086
Communications	5,977
Utilities	49,626
Books, periodicals, & films	21,617
Food & Related Supplies	109,119
Other supplies	41,565
Depreciation	90,168
Interest	-
Other direct costs	61,363
Indirect Expenses:	
Overhead	275,265
Total Expenses	\$ 2,430,064

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

8. MANAGEMENT COMPANY EXPENSES (Continued)

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.

9. 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 7)

A. School Employees Retirement System

Plan Description – WHLS, on behalf of the School, contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plans. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by contacting School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, or by calling toll free 1-800-878-5853. It is also posted at the SERS' website at www.ohsers.org under Employer/ Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the WHLS is required to contribute 14 percent of annual covered payroll. 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 by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B and Health Care Fund.) of the System. For the fiscal year ending June 30, 2010, the allocation to pension and death benefits is 12.78 percent. The remaining 1.22 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. WHLS contributions to SERS for the year ended June 30, 2010, 2009 and 2008 were \$35,804, \$29,769 and \$46,827, respectively, which equaled the required contributions each year.

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.

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

9. DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System (Continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member'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.

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, 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 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 above is the latest information available.

The School's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$94,944, \$100,620, and \$86,717, respectively, of which 100% has been contributed. Contributions to the DB and combined plans for fiscal year 2010 were \$117,312 made by the school and \$83,794 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, 2010, there were no members that elected Social Security. The contribution rate is 6.2 percent of wages.

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

10. POSTEMPLOYMENT BENEFITS

A. School Employee Retirement Systems

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

Medicare Part B

Medicare B plan reimburse Medicare B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefits recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part premium or the current premium. The Medicare Part B premium for calendar year 2010 was \$96.40; SERS' reimbursement for retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund, For fiscal 2010, the actuarial required allocation is .76 percent. The Schools' contributions for the years ended June 30, 2010, 2009 and 2008 were \$2,129, \$2,456, and \$2,068, respectively, of which 100% has been contributed.

Health Care Plan

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

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions.

The Health Care Fund was established under, and is administered in accordance with the Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. For the year ended June 30, 2010, the health care allocation is .46 percent. An additional health care surcharge on employers is collected for employees earning less than the actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provides that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For the fiscal year June 30, 2010, the minimum compensation level was established at \$35,800. The surcharge added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Schools' contributions assigned to health care for the years ended June 30, 2010, 2009 and 2008 were \$6,005, \$19,279, and \$18,075, respectively, of which 100% has been contributed.

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

10. POSTEMPLOYMENT BENEFITS (Continued)

A. School Employee Retirement Systems (Continued)

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

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 the SERS' website www.ohsers.org under **Employers/Audit Resources**.

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 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 the fiscal years ended June 30, 2010, 2009, and 2008 were \$7,303, \$7,740, and \$6,671, respectively, all of which has been contributed for all fiscal years.

The above is the latest information available.

11. 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.

**HOPE ACADEMY BROWN STREET CAMPUS
SUMMIT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
(Continued)**

11. CONTINGENCES (Continued)

B. Pending Litigation

In February 2009, the School Filed a Lawsuit against the WHLS and its affiliates for matters related to the management agreement. The effect of this lawsuit 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 adjustment is immaterial to the financial statements.

12. SPONSORSHIP FEES

The School contracted with the Ohio Council for Community Schools as its sponsor effective July 1, 2005. The School pays the Sponsor one-half of one percent of the State Aid. Total fee expense for fiscal year 2010 was \$8,845. The contract is for five years ending June 30, 2010. The Sponsor is to provide oversight, monitoring and technical assistance for the School.

In June 2010, the School contracted with Saint Aloysius Orphanage (SAO) to be its Sponsor. The Term of the Contract is from July 1, 2010 through June 30, 2013. SAO will be paid Two Percent (2%) for the time period of July 1, 2010 through June 30, 2011, Two and a half Percent (2.5%) for the time period of July 1, 2011 through June 30, 2012 and Three Percent (3%) for the remainder of the contractual period.

13. TAX EXEMPT STATUS

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

14. PAYABLES TO SCHOOLS

The School shares costs for certain professional services other Hope Academies and Life Skills Centers. As of June 30, 2010, the School has \$1,547 due to other schools (payable) for various payments made for these services.

15. SETTLEMENT EXPENSE/PAYABLE

In October 2007, the School filed a lawsuit against Integrated Consulting Management for matters related to its contracts. ICM (in turn) countersued the School. In November 2010, the School and ICM settled their respective lawsuits. \$4,000 has been recorded as settlement expense and settlement payable on the financial statements.

Statistical Section

STATISTICAL SECTION

This part of the **Hope Academy Brown Street** comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the School's overall financial health.

Contents

Financial Trends

This schedule contains trend information to help the reader understand how the School's overall expenses by class compared with the expenditure per pupil have changed over time.

- Operating Expenses by Category
- State Basic Aid – Per Pupil Funding

Revenue Capacity

This schedule contains information to help the reader assess the affordability of the School's most significant revenue sources the state aid and grants.

- Operating and Non-Operating Revenues

Enrollment Trends

This schedule contains information to help the reader understand the changes in enrollment over time.

- Full-Time Equivalent (FTE) Enrollment

Revenue by Grants Sources

This schedule contains information to help the reader understand the changes in revenues by grant source.

- Grant Revenues by Source

Net Assets Trends

This schedule offers information to help the reader understand the funds invested in capital assets versus the unrestricted funds remaining for future expenditures.

- Net Assets

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place.

- Student Population by Resident District
- Miscellaneous Statistics

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School implemented GASB Statement 34 for the year ended June 30, 2004.

Hope Academy Brown Street Campus
Operating Expenses by Category
Last Ten Fiscal Years

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Purchased Services										
Management Fees	\$1,698,210	\$1,818,964	\$1,731,500	\$1,670,417	\$1,700,226	\$1,728,248	\$1,580,447	\$1,438,732	\$ -	\$ -
Purchased Services Grant Programs	\$ 731,250	\$ 431,536	\$ 453,625	\$ 365,072	\$ 415,696	\$ 464,609	\$ 424,311	\$ 356,618	\$ 691,138	\$ 579,545
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 982,470	\$ 765,568
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 243,894	\$ 185,923
Materials and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,389	\$ 120,264
Sponsor Fees	\$ 8,845	\$ 9,460	\$ 9,018	\$ 8,718	\$ 8,895	\$ -	\$ -	\$ -	\$ -	\$ -
Legal/ Professional	\$ 30,213	\$ 18,188	\$ 18,375	\$ 14,621	\$ 15,410	\$ 14,628	\$ 14,158	\$ 31,956	\$ -	\$ -
Insurance	\$ 1,292	\$ 1,462	\$ 1,390	\$ 1,390	\$ 4,990	\$ 1,980	\$ 4,229	\$ 12,291	\$ -	\$ -
Auditing & Accounting	\$ 26,793	\$ 23,979	\$ 18,113	\$ 20,960	\$ 10,491	\$ 6,017	\$ 10,765	\$ 1,915	\$ -	\$ -
Board of Education	\$ 3,584	\$ 3,548	\$ 490	\$ 31,336	\$ 9,394	\$ 18,121	\$ 10,902	\$ 3,925	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,415	\$ -	\$ -
Depreciation	\$ 19,000	\$ 46,890	\$ 46,890	\$ 46,688	\$ 44,473	\$ 45,952	\$ 43,249	\$ 152,767	\$ 80,772	\$ 23,695
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,995	\$ -	\$ -	\$ 26,178	\$ 29,385
Miscellaneous	\$ 4,335	\$ 2,672	\$ 1,538	\$ 2,172	\$ 3,084	\$ -	\$ 5,344	\$ 123	\$ 3,042	\$ 19,652
Total	\$2,523,522	\$2,356,699	\$2,280,939	\$2,161,374	\$2,212,659	\$2,283,550	\$2,093,405	\$2,001,742	\$2,148,883	\$1,724,032
Enrollment	257	253	251	248	259	265	253	251	265	263
Per Pupil Expenditure	\$ 9,822	\$ 9,315	\$ 9,087	\$ 8,715	\$ 8,543	\$ 8,617	\$ 8,274	\$ 7,975	\$ 8,109	\$ 6,555

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 of Ohio, LLC allowing for the daily operations to be run by the management company in exchange for a higher percentage management fee.

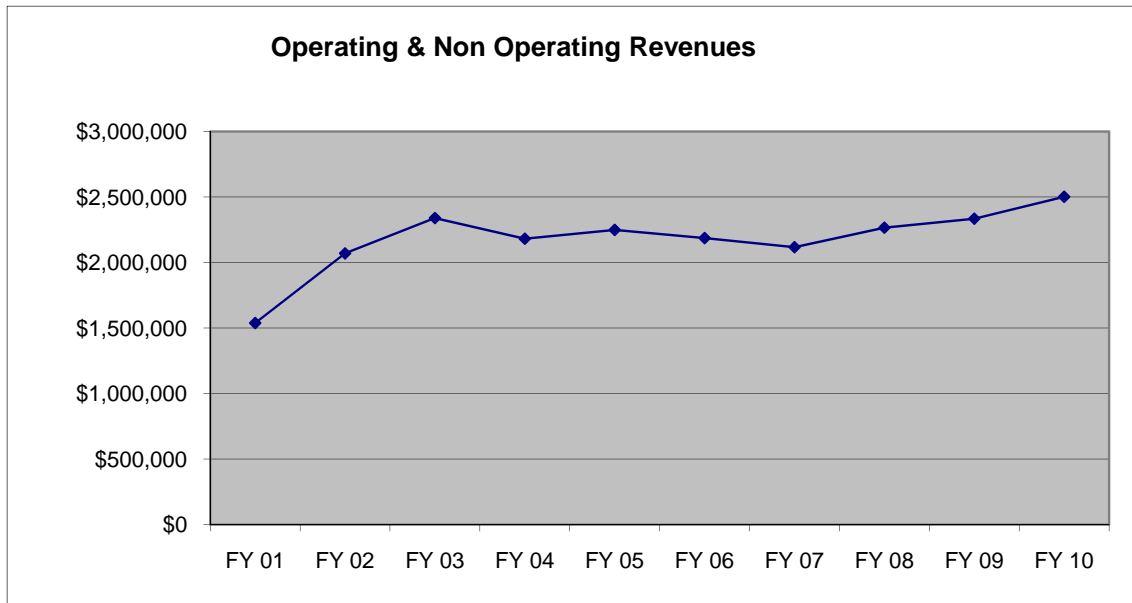
Note 2: The School began enrolling students in FY 99.

Note 3: 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 Brown Street Campus
Operating and Non-Operating Revenues
Last Ten Fiscal Years

Year	State Aid	Grants	Other	Total
2010	\$1,768,969	\$731,250	\$ 1,407	\$2,501,626
2009	\$1,894,755	\$436,893	\$ 2,973	\$2,334,621
2008	\$1,803,646	\$453,625	\$ 8,157	\$2,265,428
2007	\$1,735,143	\$372,322	\$ 9,245	\$2,116,710
2006	\$1,765,472	\$415,696	\$ 5,474	\$2,186,642
2005	\$1,781,701	\$464,609	\$ 2,382	\$2,248,692
2004	\$1,629,327	\$550,811	\$ 1,406	\$2,181,544
2003	\$1,483,230	\$359,133	\$ 497,010	\$2,339,373
2002	\$1,547,967	\$519,763	\$ 1,946	\$2,069,676
2001	\$1,353,377	\$180,284	\$ 4,382	\$1,538,043

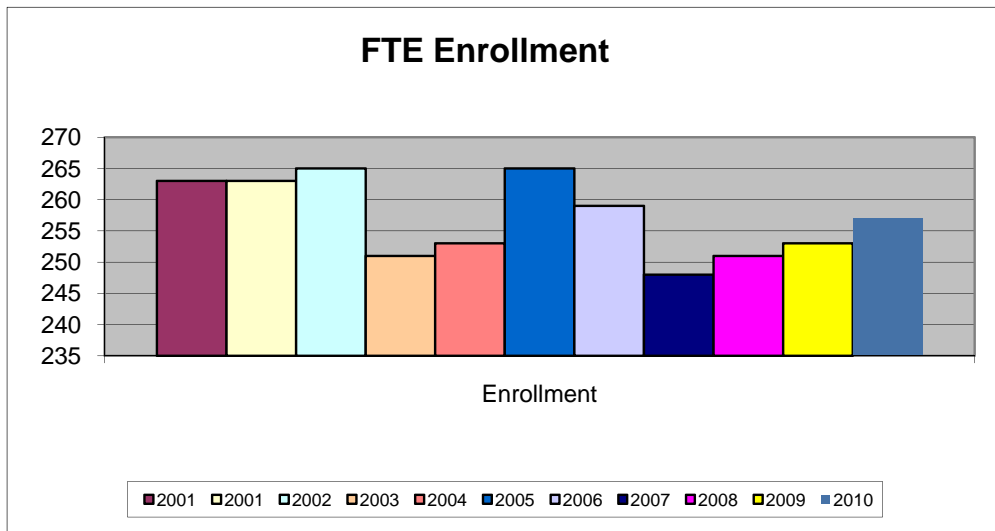


Note: The School began enrolling students in FY 99.

Source: School Financial Records

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

<u>Year</u>	<u>Enrollment</u>
2010	257
2009	253
2008	251
2007	248
2006	259
2005	265
2004	253
2003	251
2002	265
2001	263



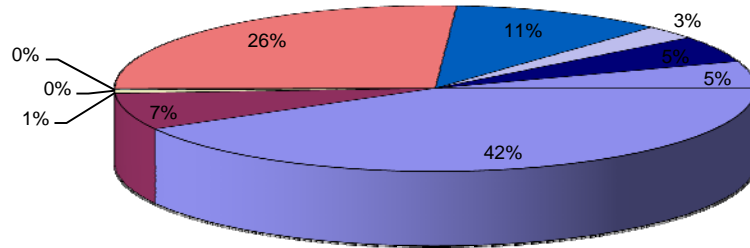
Note: The School began enrolling students in FY 99.

Source: School Financial Records

Hope Academy Brown Street Campus
Grant Revenues by Source
Last Ten Fiscal Years

Year	Title I	Title II	Title IV	Title V	Title VI	National School Lunch & Breakfast	IDEA-B	State Stabilization	Federal Start-Up	Miscellaneous State Grants	Total
2009	\$321,297	\$34,554	\$2,174	\$ -		\$153,253	\$90,607	\$120,958	\$ -	\$ 8,407	\$731,250
2009	\$183,533	\$31,219	\$2,563	\$ 235		\$154,698	\$55,655	\$ -	\$ -	\$ 8,990	\$436,893
2008	\$197,420	\$33,506	\$2,632	\$ 731	\$ 683	\$140,615	\$70,349	\$ -	\$ -	\$ 7,690	\$453,625
2007	\$151,772	\$31,249	\$2,878	\$ 489	\$ -	\$113,486	\$63,748	\$ -	\$ -	\$ 8,700	\$372,322
2006	\$160,992	\$33,591	\$3,917	\$ 985	\$ -	\$137,324	\$67,637	\$ -	\$ -	\$ 11,250	\$415,696
2005	\$226,730	\$35,823	\$3,693	\$1,467	\$ -	\$117,006	\$68,215	\$ -	\$ -	\$ 11,675	\$464,609
2004	\$220,625	\$36,199	\$3,752	\$1,828	\$ -	\$108,136	\$35,495	\$ -	\$ -	\$ 144,776	\$550,811
2003	\$195,144	\$46,150	\$1,568	\$2,445	\$ -	\$ 95,190	\$13,636	\$ -	\$ -	\$ 5,000	\$359,133
2002	\$123,350	\$22,638	\$2,569	\$ -	\$2,077	\$ 94,280	\$11,174	\$ -	\$234,000	\$ 29,675	\$519,763
2001	\$ 95,673	\$16,606	\$2,486	\$ -	\$1,888	\$ 58,041	\$ 5,590	\$ -	\$ -	\$ -	\$180,284

Grant Revenues By Source All Years Combined



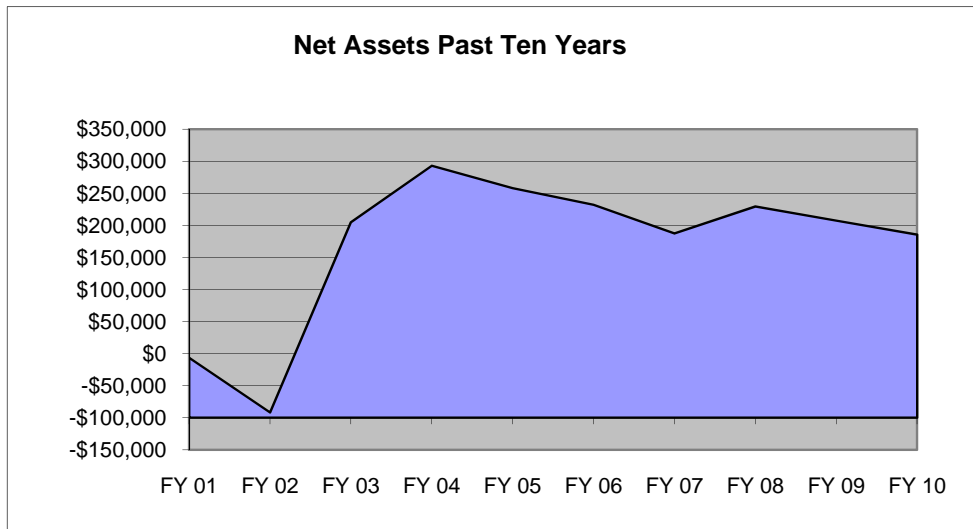
■ Title I	■ Title II
■ Title IV	■ Title V
■ Title VI	■ National School Lunch & Breakfast
■ IDEA-B	■ SFSSF
■ Federal Start-Up	■ Miscellaneous State Grants

Note: The School began enrolling students in FY 99.

Source: School Financial Records

Hope Academy Brown Street Campus
Net Assets
Last Ten Fiscal Years

Year	Invested in Capital Assets	Unrestricted Net Assets	Total Net Assets	Change in Net Assets
2010	\$ 48,561	\$ 133,050	\$ 181,611	\$ (25,896)
2009	\$ 67,560	\$ 139,947	\$ 207,507	\$ (22,078)
2008	\$109,093	\$ 120,492	\$ 229,585	\$ 42,050
2007	\$155,983	\$ 31,552	\$ 187,535	\$ (44,664)
2006	\$195,421	\$ 36,778	\$ 232,199	\$ (26,017)
2005	\$239,894	\$ 18,322	\$ 258,216	\$ (34,858)
2004	\$285,846	\$ 7,228	\$ 293,074	\$ 88,139
*2003	\$202,595	\$ 2,340	\$ 204,935	\$337,631
2002	\$393,801	\$(485,544)	\$ (91,743)	\$ (85,252)
2001	\$425,818	\$(432,309)	\$ (6,491)	\$ (6,491)



Note 1: On July 1, 2002, the School signed a new management agreement with WHLS of Ohio, LLC to run the operations of the School. This transaction also involved nearly \$493,000 of debt forgiveness to the School which caused a significant increase in the School's Net Assets.

Note 2: The School began enrolling students in FY 99.

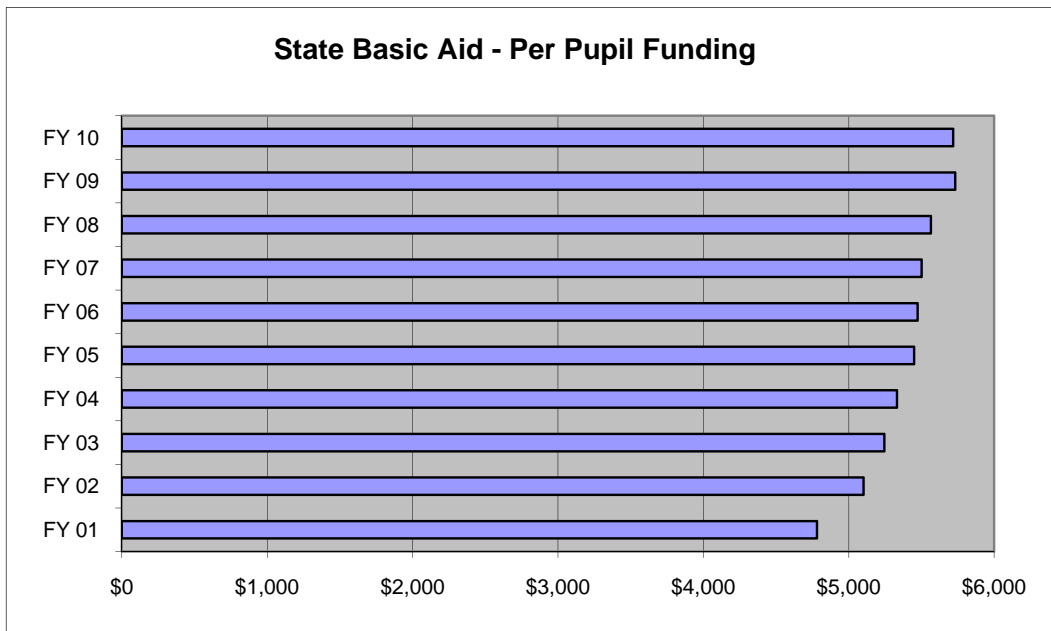
Note 3: 2003 Net Assets were restated within 2005 due to adjustment for capital assets change in capitalization threshold from \$1,000 to \$5,000.

* A prior period adjustment was recorded in the amount of \$57,561 (See note 15)

Source: School Financial Records

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

Year	Per Pupil Funding	Cost of Doing Business	Total Per Pupil
2010	\$ 5,718	-	\$ 5,718
2009	\$ 5,732	-	\$ 5,732
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



Note 1: In addition to the above, the School also receives other sources of State Aid including Disadvantaged Pupil Impact Aid, Parity Aid and Special Education funding. These 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 School began enrolling students in FY 99.

Note 3: The Ohio Department of Education eliminated the cost of doing business factor in fiscal year 2008.

Source: Ohio Department of Education

Hope Academy Brown Street Campus
Student Population by Resident District
2010 Fiscal Year

<u>Resident District</u>	<u>%</u>
Akron	96.12%
Cleveland Municipal	1.18%
Woodridge	1.17%
All Other Districts	1.54%

Note 1: The School has open enrollment and draws its student 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 students population are combined under the heading “All Other Districts.”

Source: Ohio Department of Education website

Hope Academy Brown Street Campus
Miscellaneous Statistics

School Address: 1035 Clay Street
Akron, OH 44301

Square Footage: 25,920 sq. ft.

Date of Incorporation: 07/28/1999

**Number of FY 1
Instructional Staff:** 17

**Total FY 10 Staff:
Instructional Staff/** 29



Note: All Staff are employees of WHLS of Ohio, LLC. See Note 7 in Notes to the Basic Financial Statements.

Student Ratio: 15:1

**Percent of
Free/Reduced Lunch:** 94.51%

Source: School Records



Dave Yost • Auditor of State

HOPE ACADEMY BROWN STREET 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
FEBRUARY 3, 2011