

**Life Skills Center of Northeast Ohio
Cuyahoga County, Ohio**

* * * *

Audit Report Letters

June 30, 2011



Dave Yost • Auditor of State

Board of Directors
Life Skills Center of Northeast Ohio
12201 Larchmere Blvd.
Cleveland, Oh 44120

We have reviewed the *Independent Auditor's Report* of the Life Skills Center of Northeast Ohio, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period July 1, 2010 through June 30, 2011. 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 Life Skills Center of Northeast Ohio is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

February 2, 2012

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**Life Skills Center of Northeast Ohio
Cuyahoga County, Ohio**

Audit Report Letters

June 30, 2011

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December 15, 2011

To the Board of Directors
Life Skills Center of Northeast Ohio
12201 Larchmere Blvd.
Cleveland, OH 44120

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 Life Skills Center of Northeast Ohio (the School) as of and for the year ended June 30, 2011, which collectively comprise the School's basic financial statements and have issued our report thereon dated December 15, 2011. 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

Management of Life Skills Center of Northeast Ohio is responsible for establishing and maintaining effective 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.

Rea & Associates, Inc.

December 15, 2011

To the Board of Directors
Life Skills Center of Northeast Ohio
12201 Larchmere Blvd.
Cleveland, OH 44120

**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 Life Skills Center of Northeast Ohio (the School) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The 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 on the School's compliance with those requirements.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that are could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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 the School as of and for the year ended June 30, 2011, and have issued our report thereon dated December 15, 2011. 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.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
 CUYAHOGA COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2011**

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, Part A Cluster:</i>				
Title I	84.010	2011	\$ 221,107	\$ 221,107
ARRA - Title I	84.389	2011	158,980	158,980
<i>Total Title I, Part A Cluster</i>			380,087	380,087
<i>Special Education Cluster:</i>				
Special Education IDEA Part B	84.027	2011	54,833	54,833
ARRA - Special Education IDEA Part B	84.391	2011	52,642	52,642
<i>Total Special Education Cluster</i>			107,475	107,475
Technology Literacy Challenge Fund Grant	84.318	2011	1,667	1,667
Improving Teacher Quality	84.367	2011	6,392	6,392
School Improvement Grants	84.377	2011	3,449	3,449
ARRA - Education Stabilization Fund	84.394	2011	183,548	183,548
ARRA - Race to the Top	84.395A	2011	2,817	2,817
Ed Jobs	84.410	2011	57,678	57,678
<i>Total U.S. Department of Education</i>			743,113	743,113
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 743,113	\$ 743,113

The accompanying notes are an integral part of this schedule.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

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 - 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 2010 to fiscal year 2011

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 , SECTION .505
FOR THE YEAR ENDED JUNE 30, 2011**

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
(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.

Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Directors
Life Skills Center of Northeast Ohio
12201 Larchmere Blvd.
Cleveland, OH 44120

December 15, 2011

To the Board of Directors:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether the Life Skills Center of Northeast Ohio (the School) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the School amended its anti-harassment policy at its meeting on September 7, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and Sponsor, and is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.

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Comprehensive Annual Financial Report

For the Year Ended June 30, 2011



Life Skills Center of Northeast Ohio

Cleveland, Ohio

**Life Skills Center of Northeast Ohio
Cleveland, Ohio**

**Comprehensive Annual Financial Report
For the Year Ended June 30, 2011**

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

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011**

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Introductory Section

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Cleveland, OH 44120-1101

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www.lifeskillscenters.com

December 15th, 2011

Life Skills Center of Northeast Ohio
Members of the Board of Directors

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Life Skills Center of Northeast Ohio (the School) for the fiscal year ended June 30, 2011. 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, 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 and Associates, Inc. rendered an opinion on the School's financial statements as of June 30, 2011 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 2011 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, 2010, the School entered into a contract with a sponsor, St. Aloysius Orphanage. St. Aloysius Orphanage provides oversight and advisory services to 46 community schools throughout the State serving over 10,000 children.

Life Skills Center of Northeast Ohio is a School that brings an innovative approach to addressing the high school dropout epidemic head on. This alternative high school program offers at-risk students ages 16-21 years old an opportunity to have a second chance at obtaining a quality education and vocational training and placement. Participation in this program leads students to a high school diploma, not a GED and places them on a path to success (see more at www.lifeskillscenters.com). The School, which first opened its doors in November 2003 in Cleveland, Ohio, is run by a five-member Board of Directors. The School looks to its nearly seven-year history of consistently graduating students from its program twice a year as a measure of its success. The School has contracted with LS Northeast Ohio, 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 operates 46 schools in six states under the auspices of three separate educational ventures. 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 increases 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 Cleveland City School District receives over \$13,000 in average per pupil funding from all sources whereas the School (which is also located in the City of Cleveland) receives only \$9,629 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 302 full-time equivalent students for fiscal year 2011. 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 Life Skills Centers 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, 2011.

Awards and Acknowledgements

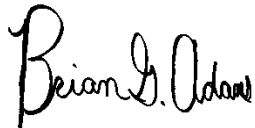
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Life Skills Center of Northeast Ohio for its CAFR for the year ended June 30, 2010. The School has received the award annually since 2004. 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. King 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
Life Skills Center of Northeast Ohio



Clifford P. King
President, Board of Directors
Life Skills Center of Northeast Ohio

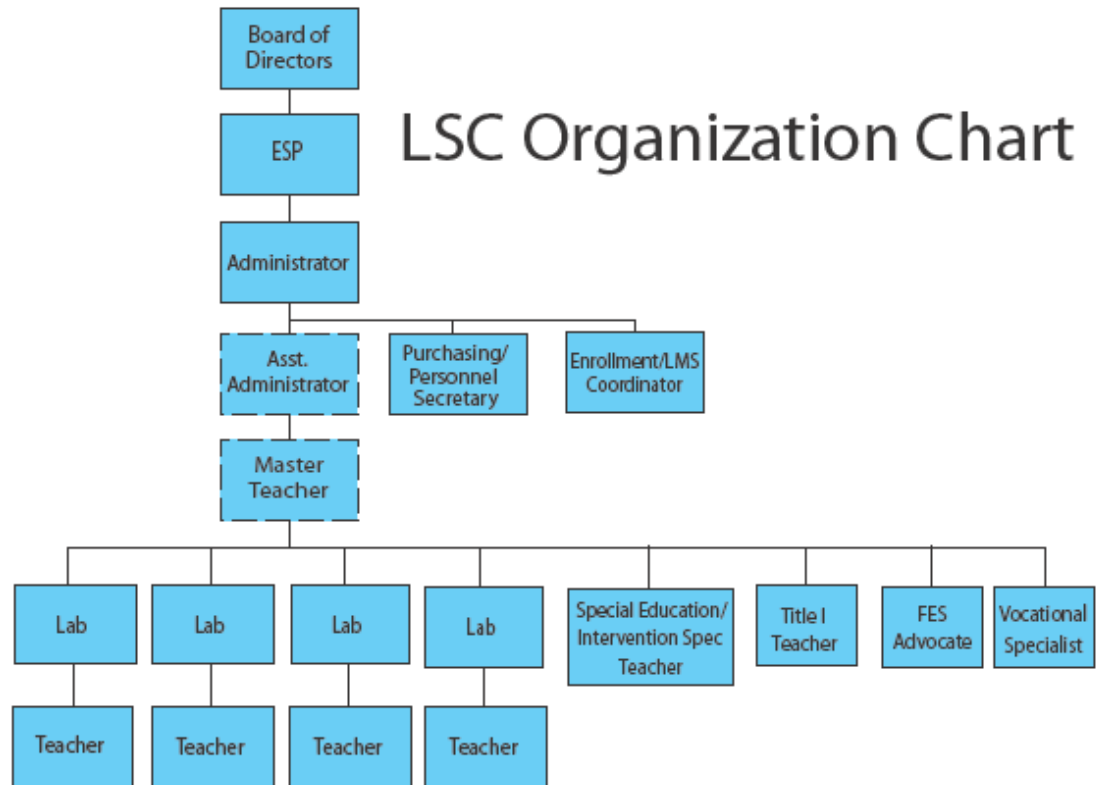
Life Skills Center of Northeast Ohio
Board of Directors
June 30, 2011

Clifford King
Maria Meredith
Elaine Vance
Juanita Reynolds
Dorothy Curtis

Board President
Board Secretary
Board Treasurer
Board Member
Board Member



LSC Organization Chart



 Optional Based on School Size

Education that fits your life

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Life Skills Center of Northeast Ohio

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

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.



Linda C. Danson

President

Jeffrey R. Enos

Executive Director

Financial Section

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December 15, 2011

To the Board of Directors
Life Skills Center of Northeast Ohio
12201 Larchmere Blvd.
Cleveland, Oh 44120

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Life Skills Center of Northeast Ohio (the School), as of and for the year ended June 30, 2011, 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 Life Skills Center of Northeast Ohio, as of June 30, 2011, 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, 2011 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.

Rea & Associates, Inc.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
(Unaudited)**

The discussion and analysis of the Life Skills Center of Northeast Ohio's (the School) financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2011. 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 increased \$32,394 which represents a 6.7 percent increase from 2010. The increase is the result of a decrease in operating expenses.
- Total assets increased \$62,431, which represents a 10.8 percent increase from 2010. This was primarily due to an increase in cash and receivables.
- Liabilities increased \$30,037, which represents a 29.9 percent increase from 2010. The increase in liabilities is a direct result of the increase in payables.

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 2011. 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.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
(Unaudited)**

Table 1 provides a summary of the School's net assets for fiscal years 2011 and 2010.

(Table 1)

Statement of Net Assets

	2011	2010
Assets		
Current Assets	\$ 628,214	\$560,183
Capital Assets, Net	14,467	20,067
Total Assets	642,681	580,250
Liabilities		
Current Liabilities	130,347	100,310
Net Assets		
Investment in Capital Assets	14,467	20,067
Restricted for Supplemental Educational Services	11,055	-
Unrestricted	486,812	459,873
Total Net Assets	\$ 512,334	\$479,940

Total assets increased \$62,431, which represents a 10.8 percent increase from 2010. This was primarily due to an increase in cash and receivables. Liabilities increased \$30,037, which represents a 29.9 percent increase from 2010. The increase in liabilities is a direct result of the increase in payables.

Statement of Revenues, Expenses and Changes in Net Assets

Table 2 shows the changes in net assets for fiscal years 2011 and 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.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
(Unaudited)**

(Table 2)

Change in Net Assets

	2011	2010
Operating Revenues		
State Aid	\$2,159,522	\$2,576,480
Non-Operating Revenue		
Grants	746,446	573,000
Interest Income	1,842	2,842
Total Revenues	2,907,810	3,152,322
Operating Expenses		
Purchased Services: Management Fees	2,009,015	2,447,655
Purchased Services: Grant Programs	688,768	573,000
Instructional Services	57,678	-
Supplemental Education Services	10,033	-
Sponsorship Fees	43,515	51,530
Legal & Professional Services	17,644	13,444
Auditing & Accounting	29,955	25,253
Insurance	1,359	1,342
Depreciation	5,600	5,600
Board of Education	6,916	2,525
Miscellaneous	4,933	6,112
Total Expenses	2,875,416	3,126,461
Change in Net Assets	\$ 32,394	\$ 25,861

The primary reason for the decrease in overall revenues from 2010 was the decrease in student enrollment from 353 in fiscal year 2010 to 302 in fiscal year 2011. The School's most significant expenses, "Purchased Services – Management Fees" decreased as well since such payments are based on State Aid and other grants as reflected in the management agreement in place between the School and WHLS. (See Notes to the Basic Financial Statements, Note 7)

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 not prescribe a budgetary process. However, 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.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
(Unaudited)**

Capital Assets

At the end of fiscal year 2011 the School had \$14,467 invested in Leasehold Improvements, which represented a decrease of \$5,600 from 2010. Table 3 shows the changes in Capital Assets below.

(Table 3)

Capital Assets (Net of Depreciation)

	<u>2011</u>	<u>2010</u>
Leasehold Improvements	<u>\$ 14,467</u>	<u>\$ 20,067</u>

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

Current Financial Issues

The Life Skills Center of Northeast Ohio received revenue for 302 students in 2011 (a decrease from 2010 of 51) 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 \$7,151 in fiscal year 2011. The School receives additional revenues from grant subsidies.

On July 1, 2005, the School contracted with the Saint Aloysius Orphanage as its sponsor. State law allows sponsors to assess the schools up to 3 percent of State revenues as an oversight fee. In June 2010, the School extended its contract with SAO 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 of all funds received by the School from the State of Ohio.

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 Life Skills Center of Northeast Ohio, 65 E. Wilson Bridge Road, Worthington, OH 43085 or e-mail at badams@ocscltd.com.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**STATEMENT OF NET ASSETS
JUNE 30, 2011**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 503,935
Grants Funding Receivable	101,886
Continuing Fees Receivable	22,244
Receivable from School	<u>149</u>

Total Current Assets 628,214

Noncurrent Assets:

Depreciable Capital Assets, net	<u>14,467</u>
---------------------------------	---------------

Total Assets 642,681

LIABILITIES

Current Liabilities

Accounts Payable	2,471
State Funding Payable	25,991
Grant Funding Payable	<u>101,885</u>

Total Liabilities 130,347

NET ASSETS

Investment in Capital Assets	14,467
Restricted for Supplemental Educational Services	11,055
Unrestricted	<u>486,812</u>

Total Net Assets \$ 512,334

See accompanying notes to the basic financial statements

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

OPERATING REVENUES

State Aid \$2,159,522

OPERATING EXPENSES

Purchased Services: Management Fees	2,009,015
Purchased Services: Grant Programs	688,768
Instructional Services	57,678
Supplemental Education Services	10,033
Sponsorship Fees	43,515
Legal	17,644
Auditing & Accounting	29,955
Insurance	1,359
Depreciation	5,600
Board of Education	6,916
Miscellaneous	<u>4,933</u>

Total Operating Expenses 2,875,416

Operating Loss (715,894)

NON-OPERATING REVENUE

Grants	746,446
Interest Income	<u>1,842</u>

Total Non-Operating Revenue 748,288

Change in Net Assets 32,394

Net Assets Beginning of Year 479,940

Net Assets End of Year \$ 512,334

See accompanying notes to the basic financial statements

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from State of Ohio	\$2,185,513
Cash Payments to Suppliers for Goods and Services	<u>(2,888,163)</u>

Net Cash Used for Operating Activities	(702,650)
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CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash Received from Grants	<u>736,362</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Cash Received from Interest on Investments	<u>1,842</u>
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Net Cash Provided by Investing Activities	<u>1,842</u>
---	--------------

Net Increase in Cash and Cash Equivalents	35,554
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Cash and Cash Equivalents Beginning of Year	<u>468,381</u>
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Cash and Cash Equivalents End of Year	<u>\$ 503,935</u>
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**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES**

Operating Loss	\$ (715,894)
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ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH

Depreciation	5,600
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Changes in Assets and Liabilities:

Continuing Fee Receivable	(24,172)
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Receivable from School	(149)
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Accounts Payable	752
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State Funding Payable	25,991
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Grant Funding Payable	10,084
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Continuing Fee Payable	1,927
------------------------	-------

Sponsor Fee Payable	(5,638)
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Payable to Schools	<u>(1,151)</u>
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Net Cash Used in Operating Activities	<u>\$ (702,650)</u>
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See accompanying notes to the basic financial statements

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**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Life Skills Center of Northeast Ohio (the School) is a 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 LS Northeast, 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 LS Northeast, LLC and is the entity which the School's board interacts with 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 May 16, 2000 through June 30, 2005. Effective July 1, 2005, House Bill 364 required schools sponsored by the Ohio Department of Education to have new sponsorship in place by June 30, 2005. The School signed a contract with a sponsor, Saint Aloysius Orphanage (Sponsor), to operate for a period from July 1, 2005 through June 30, 2010. In June 2010, the school signed a new 3-year agreement for services.

The School operates under a self-appointing, five-member Board of Directors (the Board). The School's Code of Regulations specify that vacancies that arise on the Board will be filled by the appointment of a successor director by a majority vote of the then existing directors. The Board is responsible for carrying out the provisions of the contract with the Sponsor, which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The School began operations in November 2003 and has one instructional/support facility, which is leased by WHLS. The facility is staffed with teaching personnel employed by WHLS, who provide services to 302 students. As of June 30th, 2011, three Board members sit on the Board of HOPE Academy Northcoast Campus in the City of Cleveland.

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.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(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 net total 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 2011. 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, a 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 2011, 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, 2011.

E. Intergovernmental Revenues

The School currently participates in the State Foundation Program, the State Disadvantaged Pupil Impact Aid (DPIA) Program, and the Career Based Intervention (CBI) 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.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(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 2011 school year totaled \$2,905,968.

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, is \$14,467. Depreciation is computed by the straight-line method over 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, restricted for supplemental education services, 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.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)**

3. DEPOSITS AND INVESTMENTS

A. Deposits with Financial Institutions

At June 30, 2011, the carrying amount of all School deposits was \$499,906, and its bank balance was \$499,906. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2011, \$249,906 of the School's bank balance of \$409,906 was exposed to custodial risk as discussed below. \$250,000 of the bank balance was covered by the Federal Deposit Insurance Corporation as the total bank balance was deposited in multiple financial institutions.

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 2011, the School and public depositories complied with the provisions of these statutes.

B. Investments

As of June 30, 2011, 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	\$4,029	\$4,029	\$ -	\$ -

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: The School's investments at June 30, 2011 in StarOhio are rated AAA by Standard & Poor's. Investments in Star Ohio are rated AAAM by Standard & Poor's.

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, 2011:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent to Total</u>
STAROhio	\$4,029	100.00

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)**

4. GRANTS FUNDING RECEIVABLE/PAYABLE

The School has recorded "Grants Funding Receivable" in the amount of \$101,886 to account for the remainder of State and Federal awards allocated to the School, but not received as of June 30, 2011.

Additionally, under the terms of the management agreement (See Note 7), the School has recorded a liability to WHLS in the amount of \$101,885 for 100 percent of any State and Federal grant monies uncollected or unpaid to WHLS as of June 30, 2011.

5. CAPITAL ASSETS AND DEPRECIATION

For the year ended June 30, 2011, the School's capital assets consisted of the following:

	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Capital Assets Being Depreciated	<u>6/30/2010</u>	<u>6/30/2010</u>	<u>6/30/2010</u>	<u>6/30/2011</u>
Leasehold Improvements	\$ 56,000	\$ -	\$ -	\$ 56,000
Less: Accumulated Depreciation	<u>(35,933)</u>	<u>(5,600)</u>	<u>-</u>	<u>(41,533)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 20,067</u>	<u>\$ (5,600)</u>	<u>\$ -</u>	<u>\$ 14,467</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 LS Northeast Ohio, 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, 2010, and will renew for additional one year terms ending on June 30, 2011 unless terminated for cause by either party. Substantially all functions of the School have been contracted to WHLS. In June 2010, the school signed a new 3-year agreement for services.

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 93 percent. "Continuing Fees" are defined in the Agreement as, "...the revenue per student received by the School from the State of Ohio Department of Education pursuant to Title 33 and other provisions of the Ohio Revised Code...". With regard to grant funding, the agreement reads as follows: "Federal Title Programs, lunch programs revenue, and other such federal, state and local government grant funding designated to compensate the school for the education of its students shall be fully paid to the Company." The continuing fee is paid to WHLS based on the

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)**

7. AGREEMENT WITH WHLS (continued)

previous month's qualified gross revenues. As such, WHLS receives 93 percent of "State Aid" (see note 2 E) and 100 percent of all other federal, state, and local grants. The School retains 7 percent of the "State Aid" as well as miscellaneous revenues generated from interest on deposits and donations.

8. MANAGEMENT COMPANY EXPENSES

The School had purchased service expenses for the year ended June 30, 2011, to WHLS of \$2,697,783, and payables and receivables to/from WHLS at June 30, 2011 aggregating to \$101,885 and \$22,244, respectively. 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.

For the year ended June 30, 2011, White Hat Ventures, LLC and its affiliates incurred the following expenses on behalf of the School.

	2011
Expenses	
Direct Expenses:	
Salaries & wages	\$ 677,737
Employees' benefits	252,008
Professional & technical services	445,444
Property services	305,012
Travel	2,612
Communications	17,187
Utilities	45,145
Books, periodicals, & films	2,655
Other supplies	104,859
Depreciation	15,033
Other direct costs	123,280
Indirect Expenses:	
Overhead	549,838
Total Expenses	\$ 2,540,810

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.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)**

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, 2011, the allocation to pension and death benefits is 11.81 percent. The remaining 2.19 percent of the School contributions to SERS for the year ended June 30, 2011, 2010 and 2009 were \$7,262, \$10,270, and \$7,564, 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.

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.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)**

9. DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System (Continued)

In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2011, 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 2010, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School's required contribution for pension obligations to STRS for the fiscal years ended June 30, 2011, 2010 and 2009 were \$79,982, \$79,109, and \$62,808, respectively, of which 100% has been contributed. Contributions to the DB and combined plans for fiscal year 2011 were \$70,445 made by the school and \$50,318 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, 2011, there were no members that elected Social Security. The contribution rate is 6.2 percent of wages.

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.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)**

10. POSTEMPLOYMENT BENEFITS (Continued)

A. School Employee Retirement Systems (Continued)

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 2011 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 2011, the actuarial required allocation is .76 percent. The Schools' contributions for the years ended June 30, 2011, 2010 and 2009 were \$467, \$611, and \$624, 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, 2011, the health care allocation is 1.43%. 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, 2011, 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, 2011, 2010 and 2009 were \$1,972, \$1,763, and \$4,873, respectively, of which 100% has been contributed.

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(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 2011, 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, 2011, 2010, and 2009 were \$6,152, \$6,085, and \$4,831, respectively, all of which has been contributed for all fiscal years.

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.

B. Pending Litigation

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

**LIFE SKILLS CENTER OF NORTHEAST OHIO
CUYAHOGA COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)**

11. CONTINGENCES (Continued)

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 was material and has been recorded as State Funding Payable on the financial statements (see note 16).

12. FEDERAL TAX STATUS

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

13. SPONSORSHIP FEES

The School contracted with Saint Aloysius Orphanage (SAO) as its sponsor effective July 1, 2005. The School pays the Sponsor two percent of State Aid. The contract is for five years ending June 30, 2010. The Sponsor provides oversight, monitoring, and technical assistance for the School.

In June 2010, the School extended its contract with SAO 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 of all funds received by the School from the State of Ohio. Total fees for fiscal 2011 were \$43,515.

14. RECEIVABLES TO SCHOOLS

The School shares costs for certain professional services with other Hope Academies and Life Skills Centers. As of June 30, 2011, the School has \$149 due from other schools (receivable) for various payments made for these services.

15. CONTINUING FEES RECEIVABLE

A "Continuing Fees Receivable" from WHLS has been recorded by the School in the amount of \$22,244, and reported in the Statement of Net Assets. The balance was due to the FTE audit performed by the Ohio Department of Education (ODE) (see note 16). This receivable represents 93 percent of the State Funding Payable due from ODE.

16. STATE FUNDING PAYABLE

The School has recognized on its Statement of Net Assets a "State Funding Payable" for the amount of State Aid directly related to FTE, estimated to be received by the School to the Ohio Department of Education (ODE) based on the difference in the amount the School actually received versus the amount earned through student FTE enrollment as determined at the end of the year. A payable reflects that the School was funded on a higher estimated enrollment figure throughout the year than what the actual FTE enrollment figure was calculated to be at year-end. At June 30, 2011, the amount of "State Funding Payable" was \$25,991.

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Statistical Section

STATISTICAL SECTION

This part of the **Life Skills Center of Northeast Ohio's** 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. This school has presented less than ten years of statistical data due to the fact that the school began operations in 2004.

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

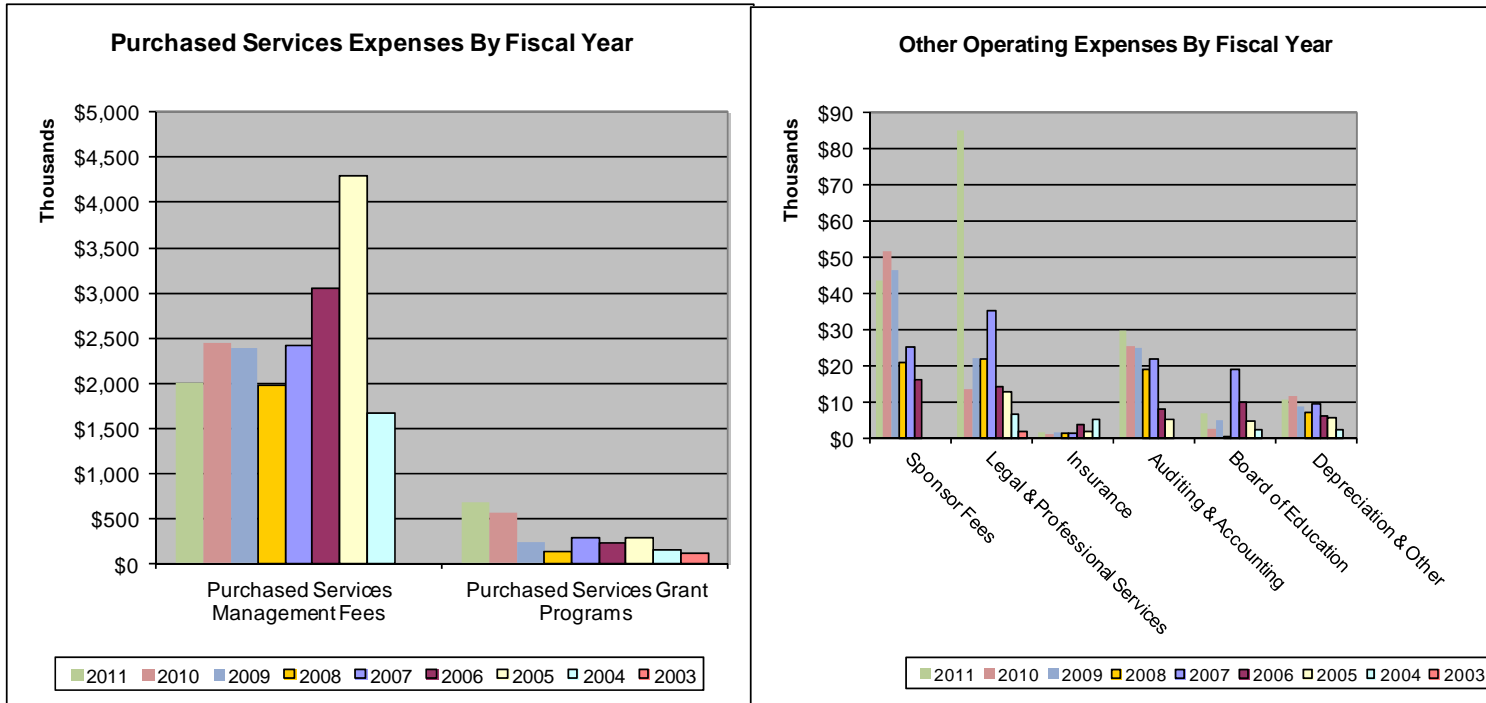
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place.

- 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.

Life Skills Center of Northeast Ohio
Operating Expenses by Category
Last Nine Fiscal Years

Year	Purchased Services Management Fees	Purchased Services Grant Programs	Sponsor Fees	Legal & Professional Services	Insurance	Auditing & Accounting	Board of Education	Depreciation & Other	Total	Enrollment	Per Pupil Expenditure
2011	\$ 2,009,015	\$688,768	\$43,515	\$ 85,355	\$ 1,359	\$ 29,955	\$ 6,916	\$ 10,533	\$ 2,875,416	302	\$ 9,521
2010	\$ 2,447,655	\$573,000	\$51,530	\$ 13,444	\$ 1,342	\$ 25,253	\$ 2,525	\$ 11,712	\$ 3,126,461	353	\$ 8,857
2009	\$ 2,387,497	\$234,466	\$46,535	\$ 22,017	\$ 1,527	\$ 25,206	\$ 4,789	\$ 8,854	\$ 2,730,891	311	\$ 8,781
2008	\$ 1,976,094	\$127,660	\$20,801	\$ 21,730	\$ 1,490	\$ 19,137	\$ 304	\$ 7,104	\$ 2,174,320	261	\$ 8,331
2007	\$ 2,420,686	\$279,703	\$25,211	\$ 35,160	\$ 1,490	\$ 21,986	\$ 18,779	\$ 9,317	\$ 2,812,332	334	\$ 8,420
2006	\$ 3,045,508	\$233,296	\$16,354	\$ 14,010	\$ 3,503	\$ 7,813	\$ 9,989	\$ 6,356	\$ 3,336,829	443	\$ 7,532
2005	\$ 4,300,673	\$284,666	\$ -	\$ 13,022	\$ 1,980	\$ 5,277	\$ 4,877	\$ 5,804	\$ 4,616,299	590	\$ 7,824
2004	\$ 1,668,280	\$150,000	\$ -	\$ 6,546	\$ 5,327	\$ -	\$ 2,518	\$ 2,462	\$ 1,835,133	261	\$ 7,031
2003	\$ -	\$119,700	\$ -	\$ 1,795	\$ -	\$ -	\$ -	\$ -	\$ 121,495	-	NA

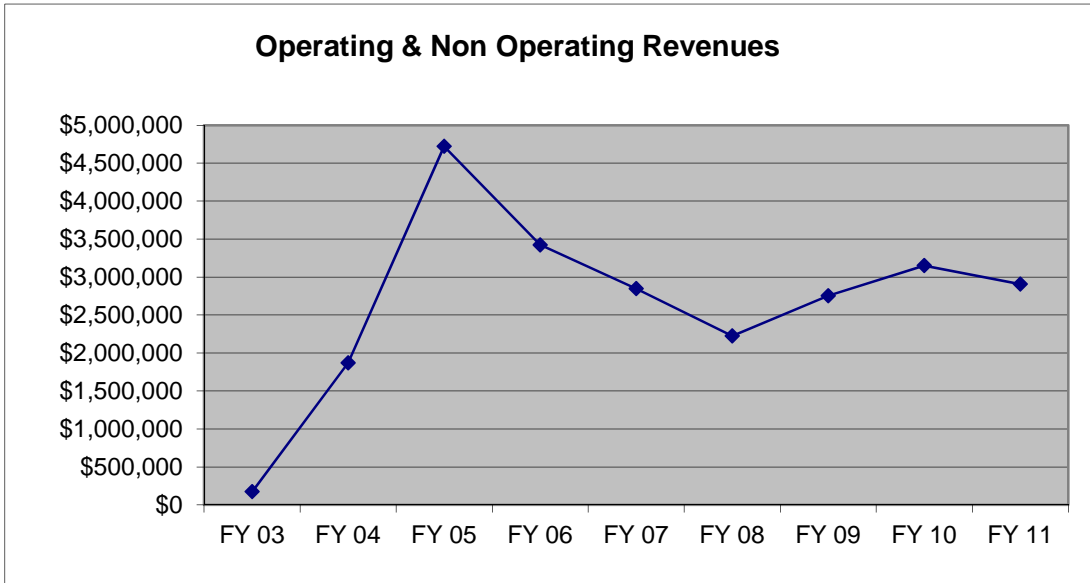


Note: The School began enrolling students in FY 04.

Source: School Financial Records

Life Skills Center of Northeast Ohio
 Operating and Non-Operating Revenues
 Last Nine Fiscal Years

<u>Year</u>	<u>State Aid</u>	<u>Grants</u>	<u>Other</u>	<u>Total</u>
2011	\$2,159,522	\$746,446	\$ 1,842	\$2,907,810
2010	\$2,576,480	\$573,000	\$ 2,842	\$3,152,322
2009	\$2,512,638	\$234,466	\$ 6,953	\$2,754,057
2008	\$2,080,099	\$127,660	\$17,949	\$2,225,708
2007	\$2,548,049	\$279,703	\$20,949	\$2,848,701
2006	\$3,176,404	\$233,296	\$13,491	\$3,423,191
2005	\$4,433,684	\$284,666	\$ 4,033	\$4,722,383
2004	\$1,719,876	\$150,000	\$ 837	\$1,870,713
2003	\$ -	\$175,700	\$ -	\$ 175,700

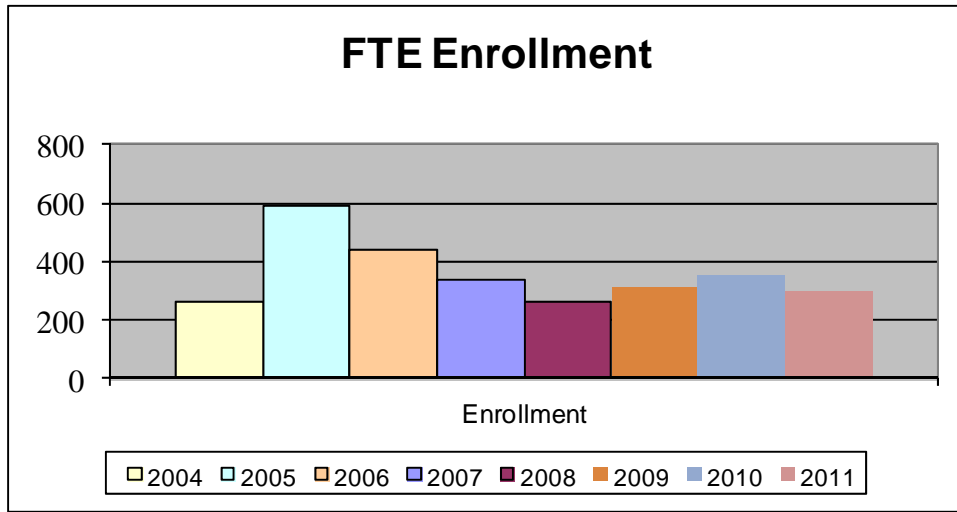


Note: The School began enrolling students in FY 04.

**The school grant revenues increased during FY 10 due to the addition of stimulus funding.
 Source: School Financial Records**

Life Skills Center of Northeast Ohio
Full-Time Equivalent (FTE) Enrollment
Last Eight Fiscal Years

<u>Year</u>	<u>Enrollment</u>
2011	302
2010	353
2009	311
2008	261
2007	334
2006	443
2005	590
2004	261

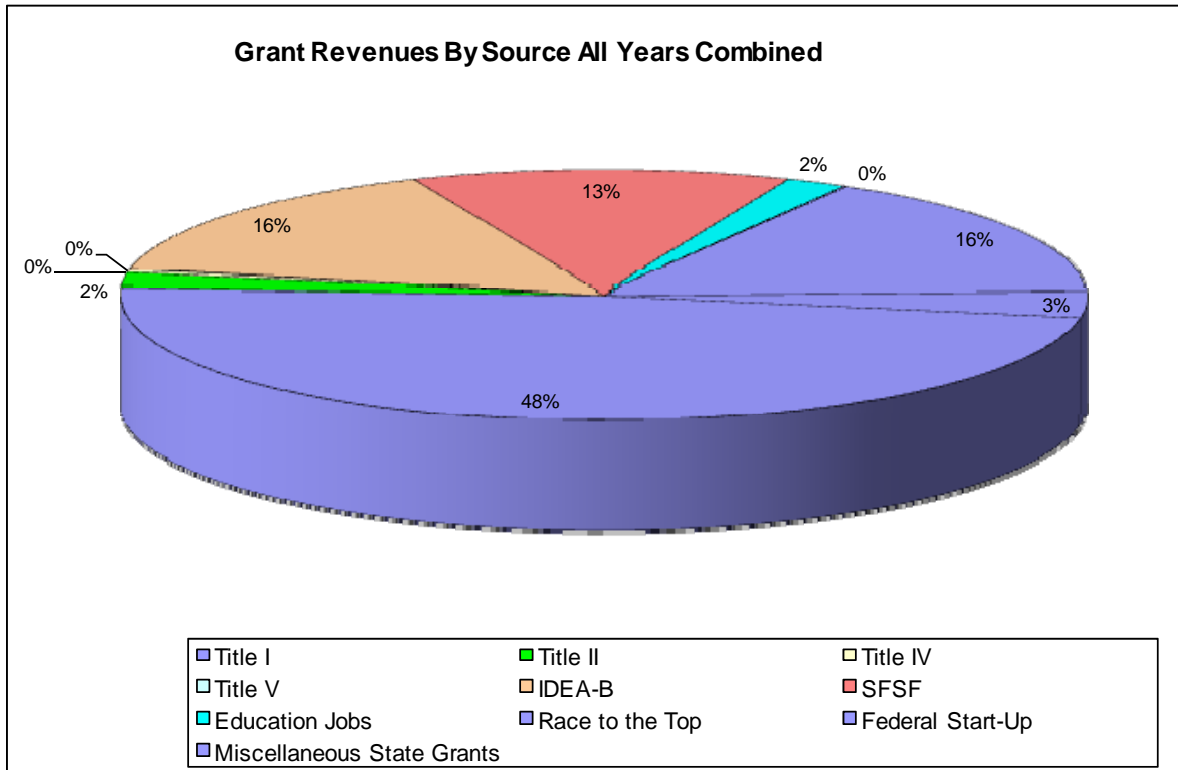


Note: The School began enrolling students in FY 04.

Source: School Financial Records

Life Skills Center of Northeast Ohio
Grant Revenues by Source
Last Nine Fiscal Years

Year	Title I	Title II	Title IV	Title V	IDEA-B	State Stabilization	Education Jobs	Race to the Top	Federal Start-Up	Misc State Grants	Total
2011	\$383,537	\$6,392	\$ -	\$ -	\$107,475	\$183,548	\$57,678	\$2,817	\$ -	\$ 5,000	\$746,446
2010	\$337,122	\$4,726	\$ 643	\$ -	\$ 52,987	\$172,523	\$ -	\$ -	\$ -	\$ 5,000	\$573,000
2009	\$151,914	\$5,109	\$2,491	\$ 180	\$ 67,182	\$ -	\$ -	\$ -	\$ -	\$ 7,590	\$234,466
2008	\$ 50,708	\$5,182	\$2,634	\$ 561	\$ 60,086	\$ -	\$ -	\$ -	\$ -	\$ 8,490	\$127,660
2007	\$180,251	\$9,880	\$2,616	\$ 588	\$ 64,672	\$ -	\$ -	\$ -	\$ -	\$21,696	\$279,703
2006	\$129,345	\$9,725	\$3,171	\$1,228	\$ 80,752	\$ -	\$ -	\$ -	\$ -	\$ 9,075	\$233,296
2005	\$115,525	\$9,827	\$ -	\$ 289	\$ -	\$ -	\$ -	\$ -	\$150,000	\$ 9,025	\$284,666
2004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$150,000	\$ -	\$150,000
2003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$150,000	\$25,700	\$175,700

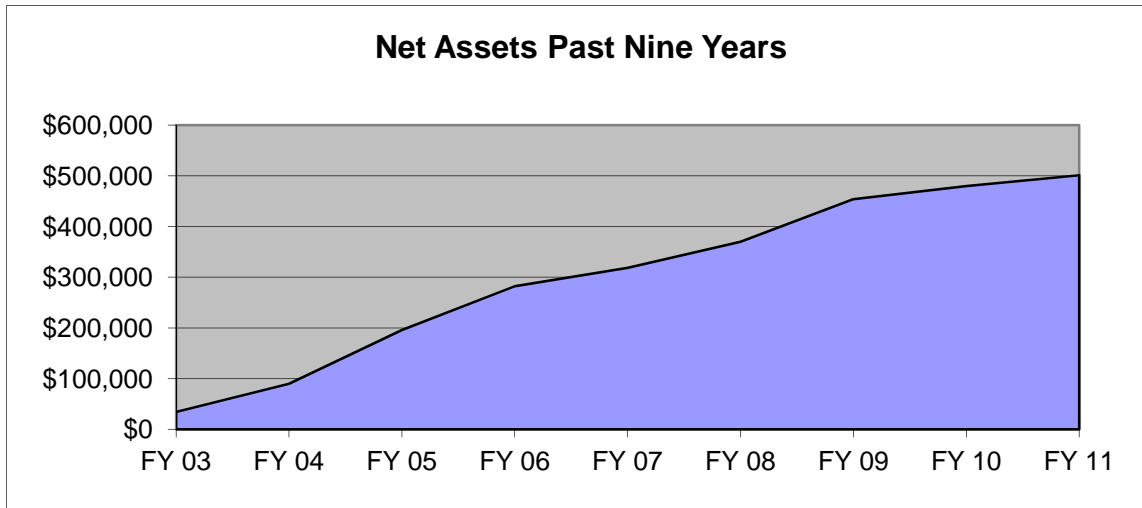


Note: The School began enrolling students in FY 04.

Source: School Financial Records

Life Skills Center of Northeast Ohio
 Net Assets
 Last Nine Fiscal Years

<u>Year</u>	<u>Invested in Capital Assets</u>	<u>Restricted For Grants</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Change in Net Assets</u>
2011	\$14,467	\$11,055.00	\$486,812	\$ 512,334	\$ 36,394
2010	\$20,067	\$ -	\$459,873	\$ 479,940	\$ 25,861
2009	\$25,667	\$ -	\$428,412	\$ 454,079	\$ 84,091
*2008	\$31,267	\$ -	\$338,721	\$ 369,988	\$ 51,388
2007	\$36,867	\$ -	\$281,733	\$ 318,600	\$ 36,369
2006	\$42,467	\$ -	\$239,764	\$ 282,231	\$ 86,362
2005	\$48,067	\$ -	\$147,802	\$ 195,869	\$106,084
2004	\$53,667	\$ -	\$ 36,118	\$ 89,785	\$ 55,580
2003	\$ -	\$ 13,900	\$ 40,305	\$ 34,205	\$ 40,305



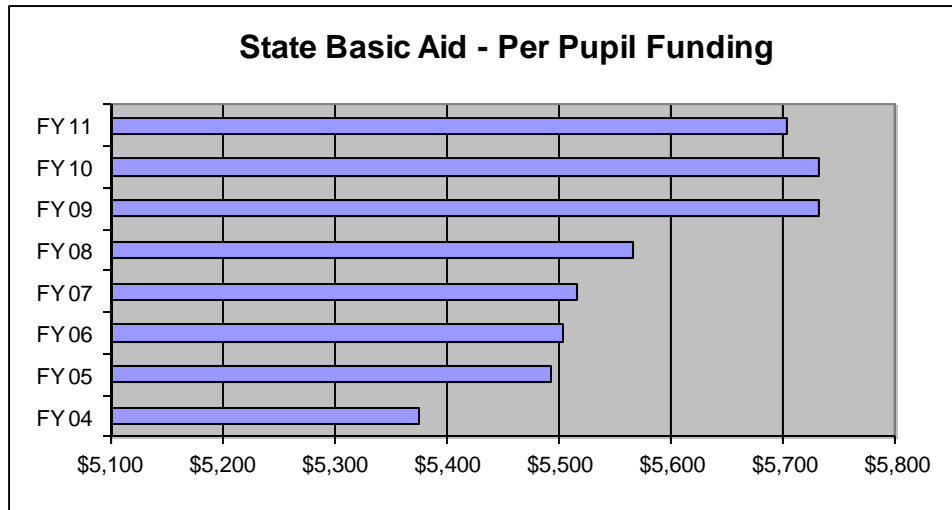
Note 1: The School began enrolling students in FY 04.

Note 2: Prior Period adjustment in FY 08

Source: School Financial Records

Life Skills Center of Northeast Ohio
 State Basic Aid – Per Pupil Funding Amount
 Last Eight Fiscal Years

Year	Per Pupil Funding	Cost of Doing Business	Total Per Pupil
2011	\$ 5,703	-	\$ 5,703
2010	\$ 5,732	-	\$ 5,732
2009	\$ 5,732	-	\$ 5,732
2008	\$ 5,565	-	\$ 5,565
2007	\$ 5,403	1.0209	\$ 5,516
2006	\$ 5,283	1.0417	\$ 5,503
2005	\$ 5,169	1.0626	\$ 5,493
2004	\$ 5,058	1.0626	\$ 5,375



Note 1: In addition to the above, the School also receives other sources of State Aid including Career Based Intervention Funding, Disadvantaged Pupil Impact Aid, Parity Aid, and Special Education funding. The revenues have collectively been identified on the Statement of Revenues, Expenses, and Changes in Net Assets as “State Aid”.

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

Note 2: The School began enrolling students in FY 04.

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

Source: Ohio Department of Education

Life Skills Center of Northeast Ohio
Student Population by Resident District
2011 Fiscal Year

<u>Resident District</u>	<u>%</u>
Bedford	3.38%
Cleveland Heights	6.72%
Cleveland	65.93%
East Cleveland	2.18%
Euclid	2.15%
Garfield Heights	2.88%
Maple Heights	4.30%
Shaker Heights	5.87%
South Euclid	0.77%
Warrensville Heights	4.06%
All Other Districts	1.76%

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

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

Source: Ohio Department of Education

Life Skills Center of Northeast Ohio
Miscellaneous Statistics

School Address: 12201 Larchmere Boulevard
Cleveland, Ohio 44120

Square Footage: 18,683 sq. ft.

Date of Incorporation: 02/22/2002

Instructional Staff: 13

Total FY 11 Staff: 16



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

Instructional Staff/: 23:1
Student Ratio

Number of Graduates since inception: 338

Percent of Low Income Students: 81.4%

Source: School Records



Dave Yost • Auditor of State

LIFE SKILLS CENTER OF NORTHEAST OHIO

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
FEBRUARY 14, 2012**