

**SUMMIT ACADEMY COMMUNITY SCHOOL – PARMA
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2011



Dave Yost • Auditor of State

Board of Directors
Summit Academy Community School - Parma
5868 Stumph Road
Parma, Ohio 44130

We have reviewed the *Independent Auditor's Report* of the Summit Academy Community School - Parma, 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 Summit Academy Community School - Parma is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

February 28, 2012

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**SUMMIT ACADEMY COMMUNITY SCHOOL – PARMA
CUYAHOGA COUNTY**

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 2, 2011

Summit Academy Community School – Parma
Cuyahoga County
5868 Stumph Road
Parma, Ohio 44130

INDEPENDENT AUDITOR’S REPORT

We have audited the accompanying financial statements of the Summit Academy Community School – Parma (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. The financial statements of the School for the year ended June 30, 2010, were audited by other auditor’s whose report dated March 11, 2011, expressed an unqualified opinion on those statements.

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 the School, 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 2, 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 5 are not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

Rea & Associates, Inc.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

As management of Summit Academy Community School – Parma (the School), we offer readers of the School's basic financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the basic financial statements taken as a whole.

Financial Highlights

By agreement with its management company, Summit Academy Management, 100% of all revenue is passed through to the management company in order to manage the affairs of the School. In this regard, a cash management system is utilized in which all School cash was 'swept' into the bank account of the management company. As a result, the School has no cash on June 30, 2011 and 2010.

The School has no net assets, which is the difference between its assets and liabilities, as of June 30, 2011.

The School has intergovernmental receivables of \$64,336 for Medicaid and state and federal grants earned in 2011, but not received until after June 30, 2011. At the same time, the financial statements show a management fee payable to the management company for the same amount, reflecting the 100% pass-through of revenue to the management company.

Overview of the Financial Statements

The financial statements presented by the School are the Balance Sheet, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows.

The *Balance Sheet* presents information on all the School's assets and liabilities, with the difference being the net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the School is improving or deteriorating. However, given the School's management agreement with the management company, which calls for 100% of all receipts to be paid to the management company, the School's net assets balance is not expected to change significantly in the near future.

The *Statement of Revenues, Expenses, and Changes in Net Assets* presents information showing how the School's net assets changed during the year. This statement summarizes operating revenues and expenses, along with non-operating revenues and expenses.

The *Statement of Cash Flows* allows financial statement users to assess the School's adequacy or ability to generate sufficient cash flows to meet its obligations in a timely manner. The statement is classified into four categories (as applicable): 1) Cash flows from operating activities, 2) Cash flows from non-capital financing activities, 3) Cash flows from capital and related financing activities, and 4) Cash flows from investing activities.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Finally, it should be noted that the School utilizes the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private sector companies in that it recognizes revenues and expenses when earned regardless of when cash is received or paid.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Financial Analysis

The following tables indicate our financial analysis of the School:

Table 1 - Balance Sheets

	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>Amount of Change</u>	<u>Percent of Change</u>	<u>6/30/2009</u>
Assets					
Cash	\$ -	\$ -	\$ -	0.0%	\$ -
Intergovernmental receivables	64,336	121,967	(57,631)	-47.3%	46,708
Management fee receivable	-	58,000	(58,000)	-100.0%	100,500
Total Current Assets	<u>64,336</u>	<u>179,967</u>	<u>(115,631)</u>	<u>-64.3%</u>	<u>147,208</u>
Non-Current Assets					
Capital Assets, net of accum. Dep.	-	-	-	0.0%	1,348
Total Assets	<u>\$ 64,336</u>	<u>\$ 179,967</u>	<u>\$ (115,631)</u>	<u>-64.3%</u>	<u>\$ 148,556</u>
Current Liabilities					
Management fee payable	\$ 64,336	\$ 121,967	\$ (57,631)	-47.3%	\$ 46,708
Federal start-up payable	-	58,000	(58,000)	-100.0%	42,500
Total Current Liabilities	<u>64,336</u>	<u>179,967</u>	<u>(115,631)</u>	<u>-64.3%</u>	<u>89,208</u>
Non-Current Liabilities					
Federal start-up payable	-	-	-	0.0%	58,000
Net Assets					
Invested in capital assets	-	-	-	0.0%	1,348
Unrestricted	-	-	-	0.0%	-
Liabilities and net assets	<u>\$ 64,336</u>	<u>\$ 179,967</u>	<u>\$ (115,631)</u>	<u>-64.3%</u>	<u>\$ 148,556</u>

Table 2 - Statements of Revenues, Expenses, and Changes in Net Assets

	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>Amount of Change</u>	<u>Percent of Change</u>	<u>6/30/2009</u>
Operating revenues	\$ 3,070,994	\$ 3,147,533	\$ (76,539)	-2.4%	\$ 3,074,414
Operating expenses	<u>3,677,424</u>	<u>3,834,116</u>	<u>(156,692)</u>	<u>-4.1%</u>	<u>3,394,499</u>
Operating loss	(606,430)	(686,583)	80,153	11.7%	(320,085)
Net non-operating revenues	<u>606,430</u>	<u>685,235</u>	<u>(78,805)</u>	<u>-11.5%</u>	<u>320,085</u>
Net income (loss)	<u>\$ -</u>	<u>\$ (1,348)</u>	<u>\$ 1,348</u>	<u>-100.0%</u>	<u>\$ -</u>

On the Balance Sheet, intergovernmental receivables decreased by \$57,631 or 47.3% because less Medicaid and state and federal grants were owed to the School at June 30, 2011. The management fee payable to the management company decreased by the same amount and percentage. The federal start-up payable decreased by \$58,000 or 100.0% because the federal start-up money was repaid in fiscal year 2011. Management fee receivable decreased by \$58,000 or 100.0% as this was the amount

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

received from the management company and paid back to the state during fiscal year 2011.

The School has no capital assets at June 30, 2011 or 2010, due to the disposal of assets no longer in use during 2010. The 2010 loss on disposal of \$1,348 represents the net book value of the capital assets at the time of disposal. See Note 5 to the Basic Financial Statements for more information on capital assets.

With respect to the Statement of Revenues, Expenses, and Changes in Net Assets, operating revenues decreased by \$76,539 or 2.4%, due primarily to a decrease in state foundation revenue caused by an decrease in enrollment. Operating expenses decreased by \$156,692 or 4.1% due to the overall decrease in revenues.

Net non-operating revenues decreased by \$78,805 or 11.5% as a result of less state and federal grant funding during 2011.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
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**BALANCE SHEETS
AS OF JUNE 30, 2011 AND 2010**

	2011	2010
ASSETS		
Current assets		
Cash	\$ -	\$ -
Management fee receivable	-	58,000
Intergovernmental receivables	62,021	117,919
Medicaid receivables	2,315	4,048
Total current assets	\$ 64,336	\$ 179,967
 LIABILITIES AND NET ASSETS		
Current liabilities		
Management fee payable	\$ 64,336	\$ 121,967
Federal start-up payable	-	58,000
Total current liabilities	64,336	179,967
 Net Assets		
Unrestricted	-	-
Total liabilities and net assets	\$ 64,336	\$ 179,967

The accompanying notes to the financial statements are an integral part of this statement.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
CUYAHOGA COUNTY**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	2011	2010
Operating revenues		
Food service	\$ 4,196	\$ 5,938
Materials and fees	17,009	17,238
Medicaid	23,576	8,888
State foundation	3,026,044	3,114,683
Other revenue	169	786
Total operating revenues	3,070,994	3,147,533
Operating expenses		
Purchased services	3,677,039	3,834,116
Other expense	385	-
Total operating expenses	3,677,424	3,834,116
Operating Loss	(606,430)	(686,583)
Non-operating revenues (expenses)		
State and Federal grants	606,430	686,583
Loss on write-off of capital assets	-	(1,348)
Total non-operating revenues (expenses)	606,430	685,235
Net income (loss)	-	(1,348)
Net assets at beginning of year	-	1,348
Net assets at end of year	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
CUYAHOGA COUNTY**

**STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	2011	2010
Increase (decrease) in cash		
Cash flows from operating activities:		
Cash received from other operating sources	\$ 21,374	\$ 23,962
Cash from Medicaid	25,309	4,840
Cash from the State of Ohio	3,026,044	3,114,683
Cash payments to management company - net	(3,676,670)	(3,716,357)
Other cash payments	(385)	-
Net cash used for operating activities	(604,328)	(572,872)
Cash flows from noncapital financing activities:		
State and Federal grants	662,328	615,372
Repayment of federal start-up grant	(58,000)	(42,500)
Net cash from noncapital financing activities	604,328	572,872
Net increase (decrease) in cash	-	-
Cash at beginning of year	-	-
Cash at end of year	\$ -	\$ -
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	\$ (606,430)	\$ (686,583)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Change in assets and liabilities:		
(Increase) decrease in assets:		
Medicaid receivables	1,733	(4,048)
Management fee receivable	58,000	42,500
Increase (decrease) in liabilities:		
Management fee payable	(57,631)	75,259
Total adjustments	2,102	113,711
Net cash used for operating activities	\$ (604,328)	\$ (572,872)

Noncash Item:

During 2010, the School disposed of capital assets having a net book value of \$1,348

The accompanying notes to the financial statements are an integral part of this statement.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

NOTE 1 - DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Summit Academy Community School - Parma, located in Cuyahoga County (the School), is a state nonprofit corporation established pursuant to Ohio Revised Code Sections 3314 and 1702. The School provides educational, literary, scientific, and related teaching services for "at-risk" children with the symptoms of Attention Deficit Hyperactivity Disorder (ADHD) and Asperger's Syndrome. The School, which is part of the State's education program, is independent of any public 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.

As further described in Note 6 to the financial statements, the School has contracted with Summit Academy Management, Inc. (SAM) to employ and facilitate the day-to-day management of the School. SAM is a legally separate nonprofit corporation, the results of which are not reflected in these financial statements.

The governing boards of SAM and the School have completely different members, and all members of the School Board are independent of SAM. In addition, 3 board members of SAM are elected by the majority vote of the affiliated school boards.

SAM also provides management services to the following 25 legally separate community schools whose results of operations are not included herein:

- Summit Academy Akron Elementary School
- Summit Academy Akron Middle School
- Summit Academy Secondary School – Akron
- Summit Academy Community School for Alternative Learners – Canton
- Summit Academy Secondary School – Canton
- Summit Academy Community School – Cincinnati
- Summit Academy Transition High School – Cincinnati
- Summit Academy Community School – Columbus
- Summit Academy Middle School – Columbus
- Summit Academy Transition High School – Columbus
- Summit Academy Community School – Dayton
- Summit Academy Transition High School – Dayton
- Summit Academy Community School for Alternative Learners – Lorain
- Summit Academy Middle School – Lorain
- Summit Academy Secondary School – Lorain
- Summit Academy Community School for Alternative Learners – Middletown
- Summit Academy Secondary School – Middletown
- Summit Academy Community School – Painesville
- Summit Academy Community School – Toledo
- Summit Academy Secondary School – Toledo
- Summit Academy Community School – Warren
- Summit Academy School for Alternative Learners – Warren Middle and Secondary
- Summit Academy Community School for Alternative Learners – Xenia
- Summit Academy – Youngstown
- Summit Academy Secondary School – Youngstown

The School has been approved for operation under a contract with the Lucas County Educational Service Center (the Sponsor). The contract was extended for a term ending on June 30, 2012, and then renews for additional one-year terms from July 1 to June 30, unless the Sponsor has given written notice of termination at least 90 days prior to the expiration date.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010
(Continued)**

NOTE 1 - DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY (continued)

The School operates under a self-appointing Board of Directors (the Board). The School's Code of Regulations specifies that vacancies that arise on the Board are 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. These include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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 or contradict GASB pronouncements. The School does not apply FASB statements or interpretations issued after November 30, 1989. The more significant of the School's accounting policies are described below.

A. Basis of Presentation

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

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the balance sheet. Equity (i.e., net total assets) is the difference between assets and liabilities. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. 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 other public schools located in the state of Ohio, community schools are generally not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the School's contract with its Sponsor. The contract between the School and its Sponsor, Lucas County Educational Service Center, requires a detailed budget in the form of a five-year forecast, as described in Ohio Revised Code Section 5705.391.

D. Cash

The School's revenues are received into a demand deposit account, and then are swept into an account of the management company in accordance with the management agreement discussed in Note 6.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Intergovernmental Revenues

The School participates in the State Foundation Program through the Ohio Department of Education. Revenue from this program is recognized as operating revenue in the accounting period in which all eligibility requirements have been met.

The School also participates in various federal and state grant programs through the Ohio Department of Education. Grants and entitlements 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.

F. Accrued Liabilities

Accrued liabilities include amounts payable to SAM for various intergovernmental (grant) receivables, in accordance with the School's management contract as further described in Note 6 and amounts payable to the Ohio Department of Education for federal start-up funds required to be returned as further discussed in Note 16.

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.

NOTE 3 - DEPOSITS

At June 30, 2011 and 2010, the carrying amount of the School's deposits was \$0, and the bank balance was \$0.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2011 and 2010 consisted of intergovernmental (e.g. Medicaid, state and federal grants) and management fee receivables. All intergovernmental receivables are considered collectible in full, due to the stable condition of these programs, and the current year guarantee of federal funds. The management fee receivable is also considered fully collectible.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010
(Continued)**

NOTE 5 – CAPITAL ASSETS

Upon review of the School's capital assets, it was determined that all of the items were no longer in use (all had been acquired prior to July 1, 2001). Accordingly, all of them were written off during fiscal year 2010 at a loss of \$1,348, representing their net book value at the time of disposal. All other capital assets in the possession of the School are the property of SAM.

NOTE 6 – AGREEMENT WITH SUMMIT ACADEMY MANAGEMENT

The School has contracted with Summit Academy Management (SAM) to facilitate the day-to-day operations of the School. Per the agreement, the School pays SAM, as a management fee, 100 percent of revenues received. In turn, SAM is responsible for all costs and decisions associated with operating the School. Such costs and decision areas include, but are not limited to: personnel (all teaching and administrative personnel are employees of SAM); insurance; pension and retirement benefits; curriculum materials, textbooks, computers and other equipment, software, and supplies; as well as utilities, janitorial services, and legal and financial management services. SAM is also responsible for maintenance of the School's facility. See Note 15 for the amount of actual direct and indirect expenses incurred by SAM on behalf of the School.

NOTE 7 - DEFINED BENEFIT PENSION PLANS

The School has contracted with SAM to provide all teaching and administrative personnel. Such personnel are employees of SAM; however, the School is responsible for monitoring and ensuring that SAM makes pension contributions on its behalf. The retirement systems consider the School as the "Employer of Record", therefore the School is ultimately responsible for remitting retirement contributions to each of the systems noted below.

A. School Employees Retirement System

On behalf of the School, SAM contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by 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 writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2011, 11.81 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 were \$295,224, \$99,690 and \$48,327, respectively. For 2011, 96.5 percent has been contributed. For fiscal years 2010 and 2009, 100 percent was contributed.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
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**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010
(Continued)**

NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)

B. State Teachers Retirement System

On behalf of the School, SAM also contributes to the State Teachers Retirement System of Ohio (STRS Ohio), 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 that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio Web site 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 DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. 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 of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salaries. The School District 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 contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$157,564, \$147,847, and \$105,564, respectively; 100 percent has been contributed for fiscal years 2011, 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were \$36,551 made by the School and \$26,108 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 Employees Retirement System. As of June 30, 2011, two members of the Board of Directors have elected Social Security. The contribution rate is 6.2 percent of wages.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010
(Continued)**

NOTE 8 - POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

On behalf of the School, SAM participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 Broad St., Suite 100, Columbus, Ohio 43215-3746.

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2011, 2.19 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2011, this amount was \$35,800. During fiscal year 2011, the school paid \$32,209 in surcharges.

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

On behalf of the school, SAM's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$46,182, \$26,858, and \$29,622, respectively. For 2011, 96.5 percent has been contributed. 100 percent has been contributed for fiscal years 2010 and 2009. The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2011, this actuarially required allocation was 0.76 percent of covered payroll.

The school's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010 and 2009, were \$16,026, \$16,731, and \$5,341, respectively; 96.5 percent has been contributed for fiscal year 2011. 100 percent has been contributed for fiscal years 2010 and 2009.

B. State Teachers Retirement System

On behalf of the School, SAM 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.

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 \$11,255, \$7,540, and \$7,555, respectively; 100 percent has been contributed for fiscal years 2011, 2010 and 2009.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010
(Continued)**

NOTE 9 – OTHER BENEFITS

SAM has contracted with a private carrier to provide employees within the School medical/surgical benefits. SAM pays a portion of the monthly premium for full-time employees and for part-time employees depending on the employee's status. The employees are responsible for the remaining amounts. SAM's and the employees' monthly premiums vary depending upon family size and the level of coverage the employee selected.

SAM also allows employees to participate in 403(b) deferred annuities through four vendors.

NOTE 10 – TRANSACTIONS WITH RELATED PARTIES

As of June 30, 2010, the School had a management receivable of \$58,000 from SAM as noted in Note 16. As of June 30, 2011 and 2010, it also had a management fee payable to SAM of \$64,336 and \$121,967, respectively. These payables consist of Medicaid and intergovernmental (grants) receivables to be transferred to SAM to cover expenses incurred by SAM on the School's behalf. During fiscal years 2011 and 2010, the School paid management fees to SAM totaling \$3,734,670 and \$3,716,357, respectively.

NOTE 11 – RISK MANAGEMENT

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. SAM has contracted with a commercial insurance company for property and general liability insurance on behalf of the School. Property coverage carries a \$5,000 deductible, with the School's contents insured for \$60,000. General liability coverage provides \$1,000,000 per occurrence and \$3,000,000 in the aggregate with a \$2,500 deductible.

Settled claims have not exceeded insurance coverage during the past three years, and there was no significant reduction in coverage amounts from the prior year policy.

NOTE 12 - CONTINGENCIES

Grants – The School receives financial assistance from federal and state agencies in the form of grants, which are then remitted to SAM. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2011.

NOTE 13 – TAX EXEMPT STATUS

Effective January 26, 2007, the School was granted its status as a tax exempt, non-profit organization under Internal Revenue Code Section 501(c) (3).

NOTE 14– SUBSEQUENT EVENTS

ODE Review – After the end of the year, the Ohio Department of Education (ODE) conducts reviews of enrollment data submitted 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 results of this review for fiscal year 2011 resulted in no significant adjustment to the School's state foundation revenue.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010
(Continued)**

NOTE 15 – MANAGEMENT COMPANY EXPENSES

As per the agreement with SAM (See Note 6), 100 percent of the School's revenue is paid to SAM as a management fee. The related 'purchased services' expense totaled \$3,677,039 and \$3,834,116 for the years ended June 30, 2011 and 2010, respectively.

Summit Academy Management incurred the following actual direct and indirect expenses on behalf of the School during fiscal years 2011 and 2010:

	2011	2010
Salaries and Wages	\$ 1,664,108	\$ 1,495,871
Retirement and Insurance Benefits	469,224	577,745
Professional and Technical Services	163,730	175,874
Utilities Services	129,131	94,407
General Supplies	102,697	245,538
Capital Outlay	53,904	34,718
Interest Expense	48,911	31,468
Food and Related Items	49,439	51,645
Property Services	41,183	26,220
Other Direct Costs	3,345	2,954
Total Direct Costs	2,725,672	2,736,440
Total Indirect Costs (Overhead)	504,776	489,492
Total Expenses	\$ 3,230,448	\$ 3,225,932

Summit Academy Management charges expenses benefiting more than one school (i.e. indirect overhead expenses) pro rata based on the number of students within each school it manages.

NOTE 16 – CLOSURE OF SUMMIT ACADEMY CLEVELAND WEST ELEMENTARY

By letter dated May 14, 2008, the Ohio Department of Education notified the sponsor of Summit Academy Cleveland West Elementary that the school was not operating independently of Summit Academy Community School – Parma, and hence would be treated as having never officially opened. All foundation revenue pertaining to these students and federal start-up grant revenue of \$127,500 was treated as being received by the Parma school and was included in the 2008 financial statements. The Cleveland West School had no assets, liabilities, costs, or other issues associated with its closing.

On July 30, 2009 (and via letter dated December 22, 2009), the School was notified by the ODE that it had to return \$100,500 of federal start-up grant funds pertaining to the start-up of the Summit Academy Cleveland West Elementary School due to its lack of independent operation noted above. During fiscal year 2010, \$42,500 was repaid, and the remainder of \$58,000 was repaid in fiscal year 2011.



December 2, 2011

Summit Academy Community School – Parma
Cuyahoga County
5868 Stumph Road
Parma, Ohio 44130

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 Summit Academy Community School – Parma (the “School”) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 2, 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 the School 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 auditing 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 School’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 to be 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 are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, Management, the School’s Sponsor, federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than those specified parties.

Hea & Associates, Inc.



December 2, 2011

Summit Academy Community School – Parma
Cuyahoga County
5868 Stumph Road
Parma, Ohio 44130

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

Compliance

We have audited the compliance of the Summit Academy Community School – Parma (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 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

The School’s management 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.

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

Rea & Associates, Inc.

**SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA
CUYAHOGA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Expenditures
U.S. DEPARTMENT OF AGRICULTURE <i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	\$13,051	\$13,051
National School Lunch Program	10.555	31,607	31,607
Total Nutrition Cluster		<u>44,658</u>	<u>44,658</u>
Total U.S. Department of Agriculture		<u>44,658</u>	<u>44,658</u>
U.S. DEPARTMENT OF EDUCATION <i>Passed Through Ohio Department of Education</i>			
Title I, Part A Cluster:			
Title 1 Grants to Local Educational Agencies	84.010	133,863	131,795
ARRA - Title 1 Grants to Local Educational Agencies	84.389	45	127
Total Title 1, Part A Cluster		<u>133,908</u>	<u>131,922</u>
Special Education Cluster (IDEA):			
Special Education Grants to States (IDEA, Part B)	84.027	102,210	99,203
ARRA-Special Education Grants to State (IDEA, Part B)	84.391	104,887	76,677
Total Special Education Cluster (IDEA)		<u>207,097</u>	<u>175,880</u>
Safe and Drug Free Schools and Communities	84.186	1,638	686
Total Educational Technology State Grants Cluster	84.318	4,455	2,323
Improving Teacher Quality State Grants	84.367	3,404	6,164
ARRA - Fiscal Stabilization Fund	84.394	<u>258,569</u>	<u>258,569</u>
Total U.S. Department of Education		<u>609,071</u>	<u>575,544</u>
Totals		<u><u>\$653,729</u></u>	<u><u>\$620,202</u></u>

The accompanying notes are an integral part of this schedule.

**SUMMIT ACADEMY COMMUNITY SCHOOL – PARMA
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2011**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) reports the Summit Academy Community School – Parma, Cuyahoga County, Ohio, (the School) federal award programs' receipts and expenditures. The Schedule has been prepared on the cash basis of accounting.

NOTE B – CHILD NUTRITION CLUSTER

The School commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School assumes it expends federal monies first.

NOTE C – TRANSFERS

The School generally must spend Federal assistance within 15 months of receipt. However, with Ohio Department of Education (ODE) approval, a School can transfer (carryover) unspent Federal assistance to the succeeding year, thus allowing the School a total of 27 months to spend the assistance. During fiscal year 2011, the ODE authorized the following transfers:

CFDA Number	Program Title	Program Year	Transfers Out	Transfers In
84.389	ARRA - Title 1 Grants to Local Educational Agencies	2010	\$ 81	
84.389	ARRA - Title 1 Grants to Local Educational Agencies	2011		\$ 81

**SUMMIT ACADEMY COMMUNITY SCHOOL – PARMA
CUYAHOGA COUNTY, OHIO**

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

1. SUMMARY OF AUDITOR'S RESULTS
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(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Were there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	Title I Cluster CFDA #84.010 and #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 noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

SUMMIT ACADEMY COMMUNITY SCHOOL – PARMA

*Schedule of Prior Audit Findings
June 30, 2011*

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2010-01	OMB Circular A-133, Subpart C, § 300(a), (b), and (d); the School's federal schedule excluded certain federal expenses, included salaries paid outside of the fiscal year, and included expenses that the School was not federal reimbursed for.	Yes	



Independent Accountant's Report on Applying Agreed-Upon Procedure

December 2, 2011

Summit Academy Community School – Parma
Cuyahoga County
5868 Stumph Road
Parma, Ohio 44130

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 Summit Academy Community School – Parma 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.

We noted the Board amended its anti-harassment policy at its meeting on June 8, 2011 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.



Dave Yost • Auditor of State

SUMMIT ACADEMY COMMUNITY SCHOOL PARMA

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
MARCH 13, 2012**