YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2011

Dave Yost • Auditor of State

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

Youngstown Community School
Mahoning County
50 Essex Street
Youngstown, Ohio 44502

To the Governing Board:

We have audited the accompanying financial statements of Youngstown Community School, Mahoning County, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Youngstown Community School, Mahoning County, Ohio, as of June 30, 2011, and the respective changes in financial position and cash flows, thereof 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 January 31, 2012, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

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We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the School's basic financial statements taken as a whole. The Federal Awards Receipt and Expenditure schedule provides additional information required by the 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. The Federal Awards Receipt and Expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dave Yost

Dave Yost
Auditor of State

January 31, 2012

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

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

The discussion and analysis of the Youngstown Community School'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 basic financial statements and the notes to the basic financial statements to enhance their understanding of the School's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2011 are as follows:

- In total, net assets were $2,505,318 at June 30, 2011.

- The School had operating revenues of $2,408,794 and operating expenses of $3,230,958 for fiscal year 2011. The School also received $1,112,315 in federal and State grants, $182,020 in donations, $9,365 in interest income and paid $119,285 in interest and fiscal charges during fiscal year 2011. The total change in net assets for the fiscal year was an increase of $362,251.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School's financial activities. The s*tatement of net assets* and s*tatement of revenues, expenses and changes in net assets* provide information about the activities of the School, including all short-term and long-term financial resources and obligations.

Reporting the School Financial Activities

Statement of Net Assets; Statement of Revenues, Expenses and Changes in Net Assets; and Statement of Cash Flows

These statements look at all financial transactions and ask the question, "How did we do financially during fiscal year 2011?" The statement of net assets and the statement of revenues, expenses and changes in net assets answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's *net assets* and changes in those assets. 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 causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 7 and 8 of this report.

The statement of cash flows provides information about how the School finances and meets the cash flow needs of its operations. The statement of cash flows can be found on page 9 of this report.

The table below provides a summary of the School's net assets at June 30, 2011 and June 30, 2010.

Net Assets

	2011	2010
Assets		
Current assets	$ 1,851,980	$ 1,644,025
Capital assets, net	2,875,285	3,006,692
Total assets	4,727,265	4,650,717
Liabilities		
Current liabilities	613,207	588,581
Long term liabilities	1,608,740	1,919,069
Total liabilities	2,221,947	2,507,650
Net Assets		
Invested in capital assets, net of related debt	1,066,924	897,616
Unrestricted	1,438,394	1,245,451
Total net assets	$ 2,505,318	$ 2,143,067

Over time, net assets can serve as a useful indicator of a government's financial position. The School's financial position at June 30, 2011 has improved compared to the prior year as a result of a decrease in liabilities, specifically and primarily the capital lease obligation, and an increase in assets due to intergovernmental receivables. At June 30, 2011, the School's assets exceeded liabilities by $2,505,318.

At year-end, capital assets represented 60.82% of total assets. Capital assets consisted of buildings and improvements, and equipment and furniture. Capital assets are used to provide services to the students and are not available for future spending. The amount invested in capital assets, net of related debt at June 30, 2011 was $1,066,924. The remaining balance of unrestricted net assets of $1,438,394 may be used to meet the School's ongoing obligations.

The table below shows the changes in net assets for fiscal years 2011 and 2010.

Change in Net Assets

	2011	2010	Percentage Change
Operating Revenues:			
Foundation payments	$ 2,384,865	$ 2,402,710	(0.74) %
Charges for services	18,555	18,442	0.61 %
Other	5,374	41,626	(87.09) %
Total operating revenue	2,408,794	2,462,778	(2.19) %
Operating Expenses:			
Salaries and wages	1,796,524	1,768,086	1.61 %
Fringe benefits	540,634	469,579	15.13 %
Contract services	544,103	583,568	(6.76) %
Materials and supplies	156,099	262,697	(40.58) %
Other	31,677	31,792	(0.36) %
Depreciation	161,921	159,123	1.76 %
Total operating expenses	3,230,958	3,274,845	(1.34) %
Non-operating Revenues (Expenses):			
Federal and State grants	1,112,315	1,036,250	7.34 %
Donations	182,020	120,575	50.96 %
Interest income	9,365	8,905	5.17 %
Interest and fiscal charges	(119,285)	(136,885)	(12.86) %
Loss on disposal of capital assets	-	(28,132)	(100.00) %
Total non-operating revenues (expenses)	1,184,415	1,000,713	18.36 %
Change in net assets	362,251	188,646	92.03 %
Net assets at beginning of year	2,143,067	1,954,421	9.65 %
Net assets at end of year	$ 2,505,318	$ 2,143,067	16.90 %

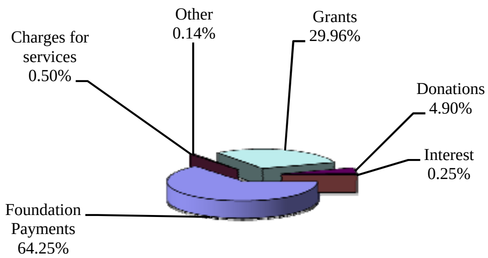
During fiscal year 2011, the School's net assets increased by $362,251, from $2,143,067 to $2,505,318. This increase in net assets is the result of steady revenues continuing to outpace the School's expenses in fiscal year 2011. The School has maintained financial stability through conservative spending during difficult economic times.

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO

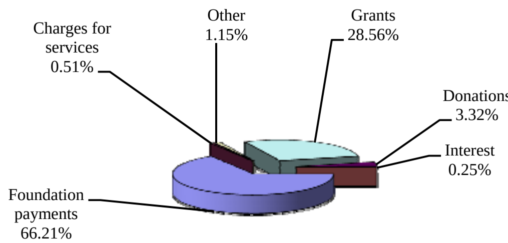
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)

The charts below illustrate the revenues and expenses for the School during fiscal years 2011 and 2010.

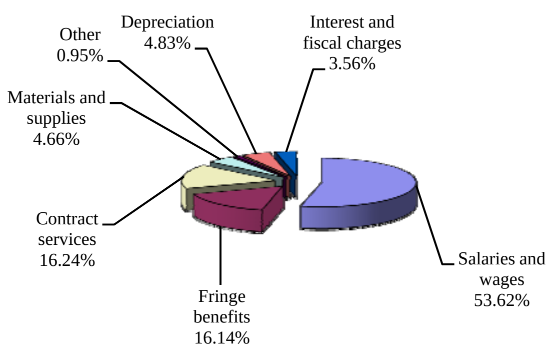
2011 Revenues



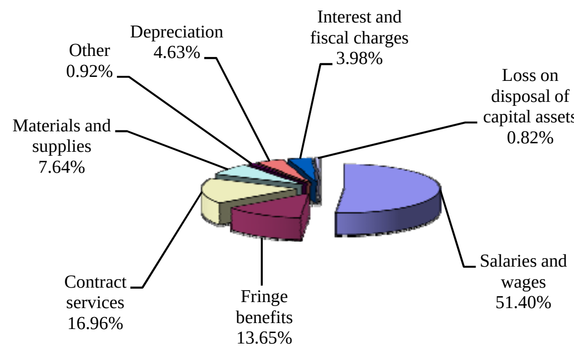
2010 Revenues



2011 Expenses



2010 Expenses



Current Financial Related Activities

The School was founded by Developing Potential, Inc., which is now known as Sister Jerome's Schools, Inc. The School currently operates as an independent, non-profit Ohio public charter school, sponsored by the Mahoning County Educational Service Center.

The School is funded through the State's foundation program, as it has no tax base to draw upon and cannot charge tuition, levy taxes, or issue bonds secured by tax revenues. The School may apply for grants and solicit funding support from public and private sources. The School currently participates in the federal E-Rate program.

Students benefit to a great degree from federal programs, which enhance the overall curriculum. The School will aggressively pursue adequate funding to secure the financial stability of the School.

Contacting the School's Financial Management

This financial report is designed to provide our clients and creditors 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 financial information contact: Ms. Michelle Murphy, Treasurer, Youngstown Community School, 50 Essex Street, Youngstown, Ohio 44502.

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO
STATEMENT OF NET ASSETS
JUNE 30, 2011

Assets:		
Current Assets:		
Equity in pooled cash		
and cash equivalents	$	1,579,934
Receivables:		
Intergovernmental		269,509
Prepayments		826
Materials and supplies inventory		1,711
Total current assets		1,851,980
Non-Current Assets:		
Depreciable capital assets, net		2,875,285
Total assets		4,727,265
Liabilities:		
Current Liabilities:		
Accounts payable		8,800
Accrued wages and benefits		224,727
Compensated absences payable		1,739
Pension obligation payable		39,699
Intergovernmental payable		18,834
Current portion of capital lease obligation		319,408
Total current liabilities		613,207
Long-Term Liabilities:		
Compensated absences payable		119,787
Capital lease obligation		1,488,953
Total long-term liabilities		1,608,740
Total liabilities		2,221,947
Net assets:		
Invested in capital assets, net of related debt		1,066,924
Unrestricted		1,438,394
Total net assets	$	2,505,318

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Operating revenues:	
Foundation payments	$ 2,384,865
Charges for services	18,555
Other	5,374
Total operating revenues	2,408,794
Operating expenses:	
Salaries and wages	1,796,524
Fringe benefits	540,634
Contract services	544,103
Materials and supplies	156,099
Other	31,677
Depreciation	161,921
Total operating expenses	3,230,958
Operating loss	(822,164)
Non-operating revenues (expenses):	
Federal and State grants	1,112,315
Donations	182,020
Interest income	9,365
Interest and fiscal charges	(119,285)
Total non-operating revenues (expenses)	1,184,415
Change in net assets	362,251
Net assets at beginning of year	2,143,067
Net assets at end of year	$ 2,505,318

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Cash flows from operating activities:		
Cash received from state foundation payments	$	2,384,865
Cash received from charges for services		18,555
Cash received from other operations		27,165
Cash payments for personal services		(2,304,666)
Cash payments for contract services		(542,740)
Cash payments for materials and supplies		(164,836)
Cash payments for other operations		(29,454)
Net cash used in operating activities		(611,111)
Cash flows from noncapital financing activities:		
Federal and State grants		947,187
Donations		182,020
Net cash provided by noncapital financing activities		1,129,207
Cash flows from capital and related financing activities:		
Acquisition of capital assets		(44,601)
Principal retirement		(300,715)
Interest and fiscal charges		(119,285)
Net cash used in capital and related financing activities		(464,601)
Cash flows from investing activities:		
Interest received		9,365
Net cash provided by investing activities		9,365
Net increase in cash and cash equivalents		62,860
Cash and cash equivalents at beginning of year		1,517,074
Cash and cash equivalents at end of year	$	1,579,934
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$	(822,164)
Adjustments:		
Depreciation		161,921
Changes in assets and liabilities:		
Decrease in accounts receivable		21,791
(Increase) in intergovernmental receivable		(3,664)
Decrease in prepayments		1,164
Decrease in materials and supplies inventory		742
(Decrease) in accounts payable		(6,651)
Increase in accrued wages and benefits		29,047
(Decrease) in pension obligation payable		(4,723)
Increase in intergovernmental payable		608
Increase in compensated absences payable		10,818
Net cash used in operating activities	$	(611,111)

<u>Non-Cash Activity:</u>
At June 30, 2011 and June 30, 2010, the School purchased $3,910 and $17,997, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 - DESCRIPTION OF THE SCHOOL

Youngstown Community School (the "School") is a school as provided for by Ohio Revised Code Chapters 3314 and 1702 within the Youngstown City School District. The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices and all other operations. The Youngstown Community School may sue and be sued in its own name, acquire facilities as needed and contract for services necessary for the operation of the School.

The creation of the School was initially proposed to the Ohio Department of Education by Developing Potential Inc., which is now known as Sister Jerome's Schools, Inc., on July 17, 1998. The Ohio Department of Education approved the proposal and entered into a contract with Developing Potential Inc. which provided for the commencement of School operations on September 8, 1998. On July 2, 2001, the School became its own incorporation. The School operates as an independent non-profit Ohio public charter school.

The School operates under a seven-member Board of Developers. Of the seven-member Board, one of the Board members was appointed by Sister Jerome's Schools, Inc. The Board is responsible for carrying out the provisions of the contract which include, but are not limited to, State-mandated provisions regarding student population, curriculum, academic goals, performance standards and qualifications of teachers. The Board of Developers controls the School's one instructional/support facility staffed by 40 certified personnel and 13 classified personnel to provide services to 327 students.

The School participates in a jointly governed organization, the ACCESS Council of Governments. This organization is discussed in Note 15 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. 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) guidance issued on or before November 30, 1989, provided it does not conflict with or contradict GASB pronouncements. The School has the option to also apply FASB guidance issued after November 30, 1989, subject to this same limitation. The School has elected not to apply this FASB guidance. The School's significant accounting policies are described below.

A. Basis of Presentation

Enterprise fund 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 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Measurement Focus and Basis of Accounting

Enterprise fund 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. The statement of revenues, expenses and changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net 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 used 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 not required to follow 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 does not prescribe a budgetary process for the School, but the School is required to adopt a five year spending plan.

D. Cash and Investments

The School maintains an interest bearing depository account and repurchase agreement. All funds of the School are maintained in these accounts. The interest bearing depository account and repurchase agreement are presented on the statement of net assets as "equity in pooled cash and cash equivalents". During fiscal year 2011, investments were limited to a repurchase agreement, which is reported at cost.

E. Capital Assets and Depreciation

Capital assets are capitalized at cost and updated for additions and deletions during the year. Donated capital assets are recorded at their fair market value as of the date donated. The School maintains a capitalization threshold of $500. The School does not have any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated. Depreciation is computed using the straight-line method. The building is depreciated over an estimated useful life of thirty years. Improvements are depreciated over the remaining useful lives of the related capital assets. Equipment is depreciated over five to ten years.

F. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the School. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the School. All revenues and expenses not meeting this definition are reported as non-operating.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Intergovernmental Revenues

The School currently participates in the State foundation program, the State special education program, the Federal Part B IDEA program, the Federal Title I program, the Federal Race to the Top program and various other State and federal grant programs. Revenues received from the State foundation program are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. Other 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 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.

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the School. These reviews are conducted to ensure the School is reporting accurate enrollment data to the State, upon which State foundation funding is calculated. The review identifies the amount of any overpayment or underpayment to the School. As of the date of this report, the review has not been completed.

H. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School will compensate the employees for the benefits through paid time off or some other means. Employees of the School cannot carry over vacation balances from one year to the next. Therefore, the liability for compensated absences payable reported on the statement of net assets does not include a component for vacation liability.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School's termination policy. The total liability for compensated absences payable is $121,526 and is reported on the statement of net assets. Of the total liability, $1,739 is due within one year and the remaining $119,787 is considered long-term.

I. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. As of June 30, 2011, there were no net assets restricted by enabling legislation.

The School applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Estimates

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2011, the School has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types. The implementation of GASB Statement No. 54 did not have an effect on the financial statements of the School.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the School.

NOTE 4 - DEPOSITS AND INVESTMENTS

A. Cash on Hand

At fiscal year end, the School had $150 in undeposited cash on hand which is included in the basic financial statements as part of "equity in pooled cash and cash equivalents".

B. Deposits with Financial Institutions

At June 30, 2011, the carrying amount of all School deposits was $137,934. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2011, all of the School's bank balance of $153,421 was covered by the Federal Deposit Insurance Corporation.

C. Investments

As of June 30, 2011, the School had the following investment and maturity:

Investment type	Fair Value	Investment Maturity 6 months or less
Repurchase agreement	$ 1,441,850	$ 1,441,850

Interest Rate Risk: Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. 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.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: The School's investment in the federal agency security that underlies the repurchase agreement, was rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The School's investment policy does not specifically address credit risk beyond requiring the School to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the School's investment in repurchase agreements, the entire balance is collateralized by an underlying security that is held by the investment's counterparty, not in the name of the School. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The School has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The School places no limit on the amount 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:

Investment type	Fair Value	% of Total
Repurchase agreement	$ 1,441,850	100.00

D. Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets

The following is a reconciliation of cash and cash equivalents as reported in the note above to cash and cash equivalents as reported on the statement of net assets as of June 30, 2011:

Cash and cash equivalents per note	
Carrying amount of deposits	$ 137,934
Investment	1,441,850
Cash on hand	150
Total	$ 1,579,934
Cash and cash equivalents per statement of net assets	$ 1,579,934

NOTE 5 - CAPITAL ASSETS

A summary of the School's capital assets at June 30, 2011 follows:

	Balance 06/30/10	Additions	Deletions	Balance 06/30/11
Capital assets:				
Capital assets, being depreciated:				
Building and improvements	$ 4,105,953	$ -	$ -	$ 4,105,953
Furniture and equipment	258,357	30,514	-	288,871
Total capital assets, being depreciated	4,364,310	30,514	-	4,394,824
Less: accumulated depreciation:				
Building and improvements	(1,231,785)	(136,865)	-	(1,368,650)
Furniture and equipment	(125,833)	(25,056)	-	(150,889)
Total accumulated depreciation	(1,357,618)	(161,921)	-	(1,519,539)
Capital assets, net	$ 3,006,692	$ (131,407)	$ -	$ 2,875,285

NOTE 6 - RECEIVABLES

Receivables at June 30, 2011 consisted of intergovernmental grants and entitlements. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current year guarantee of federal funds. A summary of the receivables reported on the statement of net assets follows:

Intergovernmental	$ 269,509

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected with the subsequent year.

NOTE 7 - CAPITAL LEASES

In a prior fiscal year, the School entered into a lease agreement with Developing Potential, Inc., which is now known as Sister Jerome's Schools, Inc., for its building. The School's lease agreement meets the criteria of a capital lease as defined by Financial Accounting Standards Board (FASB) Statement No. 13, "Accounting for Leases". The building has been capitalized in the amount of $4,105,953, which is the present value of the minimum lease payments at the inception of the lease.

The book value as of June 30, 2011 was $2,737,303. During fiscal year 2011, the School made principal and interest payments in the amounts of $300,715 and $119,285, respectively.

NOTE 7 - CAPITAL LEASES - (Continued)

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments.

Year Ending June 30	
2012	$ 420,000
2013	420,000
2014	420,000
2015	420,000
2016	420,000
Total future minimum lease payments	2,100,000
Less: amount representing interest	(291,639)
Present value of future minimum lease payment	$ 1,808,361

At June 30, 2011, a liability for the capital lease obligation in the amount of $1,808,361 is reported on the statement of net assets. Of this amount, $319,408 is current and due within one year, and $1,488,953 is long-term and due in more than one year.

NOTE 8 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from School policies and State laws. Classified employees earn ten to twenty days of vacation per year, depending on length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment, but does not carry forward from year to year. Teachers do not earn vacation time. Certified and classified employees earn sick leave at a rate of 1.25 days per month in a twelve month period. Certified employees can accumulate a sick leave balance up to a maximum of 180 days and are paid 25% of this balance. Classified employees can accumulate a sick leave balance up to a maximum of 180 days and are paid 25% of this balance. Upon retirement, and with a minimum of 10 years service, employees receive a severance payment based on these criteria.

NOTE 9 - RISK MANAGEMENT

A. Property and Liability

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2011, the School contracted with Philadelphia Indemnity Insurance Company for general and professional liability insurance with a $1,000,000 each occurrence limit, $3,000,000 annual aggregate, a $0 deductible for general liability insurance, and a $5,000 deductible for professional liability insurance. The School contracted with Selective Insurance Company for business personal property with a limit of $680,000 at 50 Essex Street, a limit of $27,000 at 44 Essex Street, and a $1,000 deductible. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from the prior year.

NOTE 9 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

The School pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross salary by a factor of approximately one percent.

C. Employee Benefits

The School has contracted with Anthem Blue Cross Blue Shield and Met-Life to provide employee medical benefits. The School pays 95 percent of the monthly premium for single coverage. For fiscal year 2011, the School's premium was fixed for a single employee. An employee may add a spouse or child or family, but the employee pays 75 percent of the premium.

NOTE 10 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The School contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor 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. It is also posted on the SERS' Ohio website, www.ohsers.org, under *"Media/Financial Reports"*.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute at an actuarially determined rate. The current School rate is 14 percent of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2011, 11.77 percent and 0.04 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2011, 2010 and 2009 were $41,911, $48,389 and $31,933, respectively; 100 percent has been contributed for fiscal years 2011, 2010 and 2009.

B. State Teachers Retirement System of Ohio

Plan Description - The School participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. 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 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org, under *"Publications"*.

NOTE 10 - PENSION PLANS - (Continued)

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

Funding Policy - For fiscal year 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. 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 $184,407, $179,520 and $161,933, respectively; 96.87 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were $21,162 made by the School and $15,115 made by the plan members.

NOTE 11 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The School participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) 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, 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 Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit 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 B premium or the current premium. The Medicare Part B premium for calendar year 2011 was $96.40 and SERS' reimbursement to retirees was $45.50. 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 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *"Media/Financial Reports"*.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2011, 1.43 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the actuarially determined amount was $35,800.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The School's contributions for health care (including surcharge) for the fiscal years ended June 30, 2011, 2010, and 2009 were $10,646, $7,250 and $22,940, respectively; 100 percent has been contributed for fiscal years 2011, 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 fiscal year 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 $2,697, $2,878 and $2,635, respectively; 100 percent has been contributed for fiscal years 2011, 2010 and 2009.

NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

B. State Teachers Retirement System of Ohio

Plan Description - The School contributes to the cost sharing, multiple employer defined benefit Health Plan (the "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, under *"Publications"* 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 $14,185, $13,809 and $12,456, respectively; 96.87 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

NOTE 12 - CONTINGENCIES

Grants

The School received financial assistance from federal and state agencies in the form of grants. The expenditure 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 - CONTRACT SERVICES

For the fiscal year ended June 30, 2011, contract services expenses were as follows:

Professional and technical services	$ 163,751
Property services	172,882
Travel expenses	9,846
Communications	15,247
Utilities	67,227
Contracted services	104,935
Pupil transportation	10,215
Total	$ 544,103

NOTE 14 - FEDERAL TAX EXEMPT STATUS

On March 14, 2002, the School was granted status as an exempt organization under Internal Revenue Code Section 501(c)(3) and is exempt from federal income taxes. Management is not aware of any course of action or series of events that have occurred that might adversely affect the School's tax exempt status.

NOTE 15 - JOINTLY GOVERNED ORGANIZATION

The Access Council of Governments (COG) is a computer network which provides data services to twenty-six school districts, two educational service centers, twenty non-public schools and two special education regional resource centers. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member schools. Each of the governments of these schools supports the COG based upon a per pupil charge, which was $40.25 for fiscal year 2011. The Youngstown Community School fee was $13,161.75 for fiscal year 2011. Of this amount, the School paid $2,861.25 to the COG and $10,300.50 was paid by the federal E-Rate program. The COG is governed by an assembly consisting of the superintendents or other designees of the member school districts. The assembly exercises total control over the operation of the COG, including budgeting, appropriating, contracting and designating management. All of the COG revenues are generated from charges for services and State funding. Financial information can be obtained by contacting the treasurer at the Mahoning County Educational Service Center, who serves as fiscal agent, at 100 Debartolo Place, Youngstown, Ohio, 44512.

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY

FEDERAL AWARDS RECEIPT AND EXPENDITURE SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/ *Pass Through Grantor* **Program Title**	**Federal CFDA Number**	**Receipts**	**Disbursements**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education:			
Nutrition Cluster:			
National School Lunch Program	10.555	$129,963	$129,963
School Breakfast Program	10.553	83,688	83,688
Total Nutrition Cluster		213,651	213,651
Total U.S. Department of Agriculture		**213,651**	**213,651**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	84.394	200,918	174,086
Special Education Cluster:			
Special Education Grants to States - IDEA B	84.027	57,689	51,657
Special Education Preschool Grants	84.173	1,033	1,033
Special Education Grants to States, Recovery Act	84.391	32,444	29,501
Total Special Education Cluster		91,166	82,191
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	268,849	270,010
School Improvement Grants, Sub A - Title I	84.010	2,264	0
Title I Grants to Local Educational Agencies, Recovery Act	84.389	73,024	72,507
Total Title I, Part A Cluster		344,137	342,517
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	21,736	23,428
Education Technology State Grant	84.318	2,570	2,570
Improving Teacher Quality State Grants	84.367	29,623	29,623
Total U.S. Department of Education		**690,150**	**654,415**
Total Federal Assistance		**$903,801**	**$868,066**

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

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY

NOTES TO THE FEDERAL AWARDS RECEIPT AND EXPENDITURE SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipt and Expenditure Schedule (the “Schedule”) reports Youngstown Community School’s (the “School’s”) federal award programs’ receipts and disbursements. 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.

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

Youngstown Community School
Mahoning County
50 Essex Street
Youngstown, Ohio 44502

To the Governing Board:

We have audited the financial statements of Youngstown Community School, Mahoning County, (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 January 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the School's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School's internal control over financial reporting.

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

Our consideration of 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 reasonably assuring whether the School's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

Dave Yost

Dave Yost
Auditor of State

January 31, 2012

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Youngstown Community School
Mahoning County
50 Essex Street
Youngstown, Ohio 44502

To the Governing Board:

Compliance

We have audited the compliance of Youngstown Community School (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 directly and materially affect each of Youngstown Community School's major federal programs for the year ended June 30, 2011. The *Summary of Auditor's Results* section of the accompanying schedule of findings identifies the School's major federal programs. The School's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the School's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the School's compliance these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School's compliance with these requirements.

In our opinion, Youngstown Community School complied, in all material respects, with the requirements referred to above that could directly and materially affect 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 the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining 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 opining on the effectiveness of internal control over compliance. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control 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.

We noted a matter involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the School's management in a separate letter dated January 31, 2012.

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

Dave Yost

Dave Yost
Auditor of State

January 31, 2012

YOUNGSTOWN COMMUNITY SCHOOL
MAHONING COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
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 weaknesses reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material internal control weaknesses reported for major federal programs?**	No
(d)(1)(iv)	**Were there any 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 § .510(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Title 1, Part A Cluster – CFDA #84.010 and 84.389 State Fiscal Stabilization Fund - Recovery Act – 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

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Youngstown Community School
Mahoning County
50 Essex Street
Youngstown, Ohio 44502

To the Governing Board:

Ohio Revised 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 Youngstown Community School (the "School") has updated its anti-harassment policy in accordance with Ohio Revised 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 January 13, 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 the School's Sponsor and is not intended to be and should not be used by anyone other than these specified parties.

Dave Yost

Dave Yost
Auditor of State

January 31, 2012

YOUNGSTOWN COMMUNITY SCHOOL

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
APRIL 10, 2012