



**Auditor of State
Betty Montgomery**

LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	1

This page intentionally left blank.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Life Skills Center of Hamilton County
Hamilton County
7710 Reading Road
3rd Floor
Cincinnati, Ohio 45237

To the Board of Directors:

We have audited the basic financial statements of Life Skills Center of Hamilton County, Hamilton County, Ohio, (the School) as of and for the year ended June 30, 2004, and have issued our report thereon dated December 15, 2004, in which we noted the School adopted Governmental Accounting Standards Board Statement No. 34. 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.

Compliance

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, 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 such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to the School's management in a separate letter dated December 15, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Life Skills Center of Hamilton County
Hamilton County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

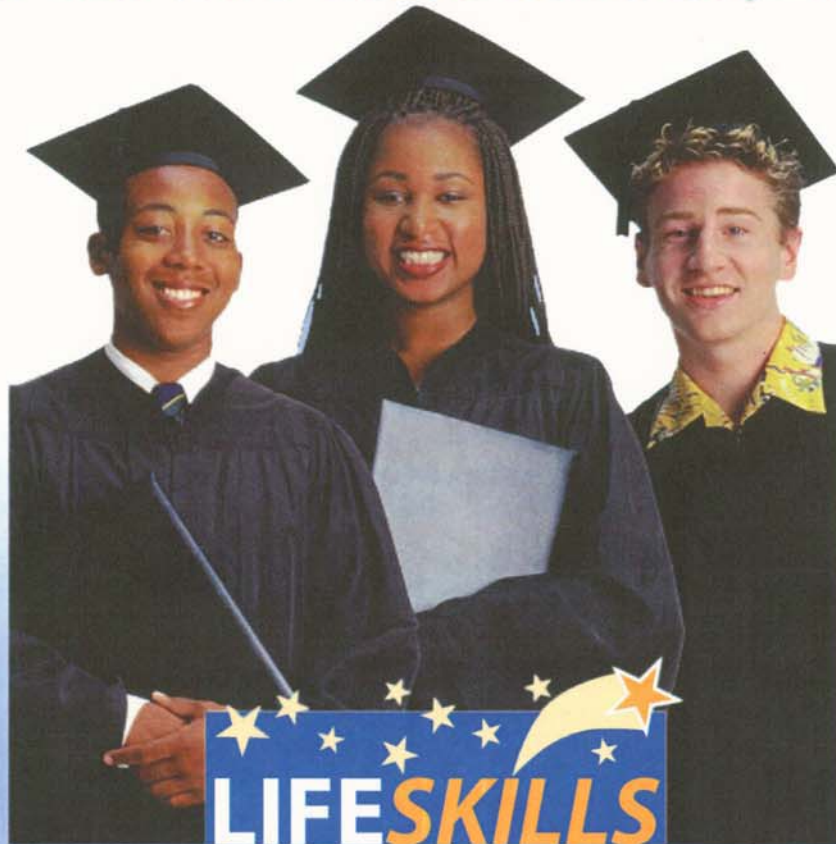
A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 15, 2004

Comprehensive Annual Financial Report

For the Year Ended June 30, 2004



LIFESKILLS

c e n t e r

Education that fits your life

Life Skills Center of Hamilton County

Cincinnati, Ohio



**LIFE SKILLS CENTER OF HAMILTON COUNTY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2004**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	i
Board of Directors.....	iv
FINANCIAL SECTION	
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Statement of Net Assets.....	7
Statement of Revenues, Expenses, and Changes in Net Assets.....	8
Statement of Cash Flows.....	9
Notes to the Basic Financial Statements.....	10
STATISTICAL SECTION	
Operating Expenses by Category - Last Two Fiscal Years.....	22
Operating and Non-Operating Revenues - Last Two Fiscal Years.....	23
Full Time Equivalent (FTE) Enrollment - Last Two Fiscal Years.....	24
Grant Revenues By Source - Last Two Fiscal Years.....	25
Net Assets - Last Two Fiscal Years.....	26
State Basic Aid - Per Pupil Funding Amount - Last Two Fiscal Years.....	27
Student Population by Resident District-2004 Fiscal Year.....	28
Miscellaneous Statistics.....	29

This page intentionally left blank.

Introductory Section

This page intentionally left blank.



7710 Reading Road
Suite 300
Cincinnati, OH 45237

513-821-6695 [P]
513-821-8755 [F]

www.lifeskillscenters.com

December 31, 2004

Life Skills Center of Hamilton County Community
Members of the Board of Directors

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Life Skills Center of Hamilton County (the School) for the fiscal year ended June 30, 2004. The School's management is responsible for the reliability of the data presented and the completeness of the presentation, including all disclosures. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School. All disclosures necessary to enable the reader to gain an understanding of the School's financial activities have been included.

Further, the School has established a comprehensive framework that is designed to compile sufficient reliable information for the preparation of its financial statements in accordance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the School's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

The CAFR is designed to assist and guide the reader in understanding its contents. The report consists of three major sections:

Introductory Section

The Introductory Section includes the Transmittal Letter and a list of our Board members.

Financial Section

The Financial Section consists of the Independent Accountants' Report, Management's Discussion and Analysis, and the Basic Financial Statements as well as the Notes to the Basic Financial Statements that provide an overview of the School's financial position and operating results.

Statistical Section

The Statistical Section includes selected financial and demographic information about the School on a multi-year basis.

Background

Ohio charter schools began operating after the passage of a 1997 State law. Charter schools, commonly referred to as "community schools" in Ohio, are public, non-profit, non-sectarian schools established to operate independently of any School District. These schools also are exempt from many of the education

Background (Continued)

laws of the State allowing them to bring innovation and efficiency to the traditional education model. More importantly, the passage of this law made the concept of school choice a reality in Ohio. As required by law, each of these community schools must have a sponsor. As of the date of this report, the majority of community schools are sponsored by the Ohio State Board of Education which delegates its responsibility to the Ohio Department of Education to provide oversight and advisory services to 179 community schools throughout the State serving nearly 46,000 children.

Description of the School

Life Skills Center of Hamilton County is a School that brings an innovative approach to addressing the high school dropout epidemic head on. This alternative high school program offers at-risk students ages 16-22 years old an opportunity to have a second chance at obtaining a quality education, as well as, vocational training and placement. Participation in this program leads students to a high school diploma, not a GED and places them on a path to success. The School, which first opened its doors in January of 2003 in Cincinnati, Ohio is run by a four member Board of Directors. The School looks to its nearly two-year history of consistently graduating students from its program *twice* a year as a measure of its success. The School has contracted with White Hat Management, LLC and its subsidiaries to operate the School on a day-to-day basis. White Hat Management is a national leader in professional education management and has managed the School since its inception. Initially approved by the Ohio State Board of Education for a period of five years, the School anticipates renewing with a new sponsor as required (See “Current Financial Issues” in Management’s Discussion and Analysis) for a subsequent term beginning July 1, 2005. The School views renewal of its program as another benchmark of its successful education model, effective operational management, and sound fiscal practices.

Financial Information

This is the first year the School has prepared financial statements following GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” GASB Statement No. 34 creates new basic financial statements for reporting on the School’s financial activities. Also as part of this new reporting model, management is responsible for preparing a discussion and analysis of the School. This Letter of Transmittal is designed to complement the Management’s Discussion and Analysis and should be read in conjunction with it. This discussion follows the Independent Accountants’ Report and provides an assessment of the School’s finances for fiscal year 2004 and the outlook for the future.

This is also the first year that the School has prepared a Comprehensive Annual Financial Report. The School takes pride in its demonstrated history of unqualified audit opinions and no material weaknesses and wishes to take the next step towards establishing itself as a model of fiscal responsibility among its peers. According to the Auditor of State of Ohio, the School will be (with the submission of this report) one of the first community schools in the State to pursue the Certificate of Achievement for Excellence in Financial Reporting.

Independent Audit

Ohio law requires independent audits be performed on all financial operations of the School either by the Auditor of State or an independent public accounting firm in accordance with generally accepted accounting principles (GAAP) and generally accepted auditing standards (GAAS). The Auditor of State’s Office rendered an opinion on the School’s financial statements as of June 30, 2004 and the Independent Accountants’ Report on the Basic Financial Statements is included in the Financial Section herein.

Awards and Acknowledgments

The Government Finance Officer's Association of the United States and Canada (GFOA) will award a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conforms to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report, which is included herein, will conform to the high standards required by the Certificate of Achievement program.

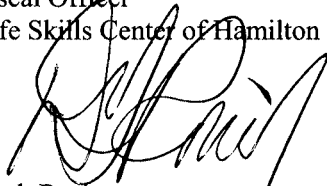
The Comprehensive Annual Financial Report was prepared by the fiscal management team for the School. As the fiscal officer, I would like to express my sincere appreciation to Darryl Woolf, Brett Newsome, and Maggie Vantley for their direct participation in producing this report. Their commitment to this project helped to make this report possible. I would also like to thank Mr. Rorie and other members of the Board of Directors for their support in this new endeavor. It is truly appreciated.

Finally, we would like to thank our School community for entrusting us with the education of your children. *You* are the reason we are here. We are committed to bettering our students, their parents and the communities we serve by providing the very best alternative in public education.

Sincerely,



C. David Massa, CPA
Fiscal Officer
Life Skills Center of Hamilton County



Durk Rorie
President, Board of Directors
Life Skills Center of Hamilton County

**Life Skills Center of Hamilton County
Board of Directors
June 30, 2004**

Durk Rorie	Board President
Howard Tomb	Board Member
Cheri Westmoreland	Board Member
Helena Martin	Board Member

Financial Section

This page intentionally left blank.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Life Skills Center of Hamilton County
Hamilton County
7710 Reading Road
3rd Floor
Cincinnati, Ohio 45237

To the Board of Directors:

We have audited the accompanying basic financial statements of the Life Skills Center of Hamilton County, Hamilton County, Ohio, (the School) as of and for the year ended June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of Life Skills Center of Hamilton County, Hamilton County, as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, during the year ended June 30, 2004, the School implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

We conducted our audit to form an opinion on the School's basic financial statements. The introductory and statistical sections are presented for additional analysis and are not a required part of the basic financial statements. We did not subject the introductory and statistical sections to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 15, 2004

**LIFE SKILLS CENTER OF HAMILTON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
(Unaudited)**

The discussion and analysis of the Life Skills Center of Hamilton County's (the School) financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- In total, net assets increased \$41,460, which represents a 153 percent increase from 2003. This increase was due largely to an increase in State Aid monies as a result of significantly higher enrollment.
- Total assets increased \$177,681, which represents a 194 percent increase from 2003. This was a result of a much larger cash balance on hand at year end over the previous year, as well as increases in the School's receivables.
- Liabilities increased \$136,221, which represents a 104 percent increase from 2003. As explained later, the increase in liabilities is a direct result of the increase in State and Federal receivables, which directly increases management fees.

Using this Financial Report

This report consists of three parts, the MD&A, the basic financial statements, and notes to those statements. The basic financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows.

**LIFE SKILLS CENTER OF HAMILTON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
(Unaudited)**

Statement of Net Assets

The Statement of Net Assets answers the question of how the School did financially during 2004. This statement includes all assets and liabilities, both financial and capital, and short-term and long-term using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

Table 1 provides a summary of the School's net assets for fiscal year 2004 and fiscal year 2003

(Table 1)
Net Assets

	2004	2003
Assets		
Current Assets	\$ 269,196	\$ 91,515
Liabilities		
Current Liabilities	\$ 230,450	\$ 94,229
Net Assets		
Unrestricted	\$ 38,746	\$ (2,714)

Total assets increased \$177,681. This increase was primarily due to the inflow of cash as a result of State Aid payments for FTE enrollment, increases in the School's overall receivables of \$127,147 related mainly to grant subsidies. Liabilities increased by \$136,221 from 2003. This increase directly corresponds to the increase in receivables as the School operates under a management agreement with WHLS of Ohio, LLC (WHLS). Under the terms of the management agreement, WHLS is paid a specific percentage of the State and Federal revenues the School receives.

**LIFE SKILLS CENTER OF HAMILTON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
(Unaudited)**

Statement of Revenues, Expenses, and Changes in Net Assets

Table 2 shows the changes in net assets for fiscal year 2003 and fiscal year 2004, as well as a listing of revenues and expenses.

(Table 2)
Change in Net Assets

	2004	2003
Operating Revenues		
State Aid	\$ 1,983,851	\$ 264,738
Non-Operating Revenues		
Grants	223,422	175,700
Other	500	-
Total Revenues	2,207,773	440,438
Operating Expenses		
Purchased Services: Management Fees	1,924,335	256,796
Purchased Services: Grant Programs	223,421	175,700
Legal	5,944	3,669
Advertising	-	337
Insurance	7,386	6,650
Auditing and Accounting	5,227	-
Total Expenses	2,166,313	443,152
Change in net Assets	\$ 41,460	\$ (2,714)

The primary reason for the increase in overall revenues from 2003 was due to significantly higher FTE enrollment over the previous year of 261 students. The School's most significant expenses, "Purchased Services" increased as well because of the management agreement in place between the School and WHLS. As stated previously, the agreement provides that specific percentages of the revenues received by the School will be paid to WHLS to fund operations. (See Notes to the Basic Financial Statements, Note 8.) Other expenses as listed above also increased due to the School being in operation during its first full year.

**LIFE SKILLS CENTER OF HAMILTON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
(Unaudited)**

Current Financial Issues

The Life Skills Center of Hamilton County received revenue for 304 students in 2004 and continues to enroll students on a daily basis. State law governing community schools allows for the School to have open enrollment across traditional school district boundaries.

The School receives its support almost entirely from State Aid. Per pupil revenue from State Aid for the School averaged \$6,526 in fiscal 2004 with a 2.2 percent increase in State Basic Aid planned in fiscal year 2005. The School receives additional revenues from grant subsidies.

Further, with the enactment of House Bill 364 into law in April 2003, the Ohio Department of Education (ODE) will no longer be sponsoring community schools. The law provides that every community school sponsored by ODE, including the Life Skills Center of Hamilton County, will be required to have new sponsorship in place by June 30, 2005. The School is currently evaluating qualified sponsors. State law allows sponsors to assess the schools up to 3 percent of State revenues as an oversight fee, a cost that has not been incurred through the sponsorship by ODE. The fee will range between 0-3 percent. It has not been decided if this fee will be paid by the Board or result in a direct reduction of the percentage paid to the management company.

Contacting the School's Financial Management

This financial report is designed to provide our readers with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information, contact Dave Massa, Fiscal Officer for the Life Skills Center of Hamilton County, 159 South Main Street, Akron, Ohio 44308 or e-mail at david.massa@whitehatmgmt.com.

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2004**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 51,485
State Funding Receivable	19,289
Grants Funding Receivable	<u>198,422</u>

Total Current Assets \$ 269,196

LIABILITIES

Current Liabilities

Accounts Payable	\$ 2,387
Grants Funding Payable	209,353
Continuing Fees Payable	<u>18,710</u>

Total Current Liabilities \$ 230,450

NET ASSETS

Unrestricted Net Assets \$ 38,746

Total Net Assets \$ 38,746

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

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004**

OPERATING REVENUES

State Aid	\$ 1,983,851
Total Operating Revenues	1,983,851

OPERATING EXPENSES

Purchased Services: Management Fees	1,924,335
Purchased Services: Grant Programs	223,421
Legal	5,944
Insurance	7,386
Auditing & Accounting	5,227
Total Operating Expenses	2,166,313
Operating Loss	(182,462)

NON-OPERATING REVENUES

Grants	223,422
Contributions	500
Total Non-Operating Revenues	223,922
Change in Net Assets	41,460
Net Assets, July 1, 2003	(2,714)
Net Assets, June 30, 2004	\$ 38,746

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

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004**

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from State Sources	\$ 1,989,424
Cash Payments to Suppliers for Goods and Services	<u>(2,024,390)</u>
Net Cash Used for Operating Activities	(34,966)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash Received from Grant Programs	85,000
Cash Received from Miscellaneous Receipts	<u>500</u>
Net Cash Received from Noncapital Financing Activities	<u>85,500</u>
Net Increase in Cash and Cash Equivalents	50,534
Cash and Cash Equivalents at Beginning of Year	<u>951</u>
Cash and Cash Equivalents at End of Year	<u>\$ 51,485</u>

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED FOR OPERATING ACTIVITIES**

Operating Loss	\$ (182,462)
----------------	--------------

**ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET
CASH USED FOR OPERATING ACTIVITIES**

Changes in Assets and Liabilities:	
State Funding Receivable	5,573
Refund Receivable	5,702
Accounts Payable	(7,726)
Grants Funding Payable	149,353
Continuing Fees Payable	<u>(5,406)</u>
Total Adjustments	<u>147,496</u>
Net Cash Used for Operating Activities	<u>\$ (34,966)</u>

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

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Life Skills Center of Hamilton County (the School) is a state nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to maintain and provide a school exclusively for any educational, literary, scientific and related teaching service. The School, which is part of the State's education program, is independent of any school district.

The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School.

The School contracts with WHLS of Ohio, LLC (WHLS) for most of its functions. (See Note 8.)

The School was approved for operation under contract with the Ohio State Board of Education (Sponsor) for a period of five years from May 16, 2000, through June 30, 2005. The School operates under a self-appointing, four-member Board of Directors (the Board). The School's Code of Regulations specify that vacancies that arise on the Board will be filled by the appointment of a successor director by a majority vote of the then existing directors. The Board is responsible for carrying out the provisions of the contract with the Sponsor, which includes, but is not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The School began operations in January 2003 and has one instructional/support facility, which is leased by WHLS. The facility is staffed with teaching personnel employed by WHLS, who provide services to 304 students. The Board also operates Riverside Academy and the Life Skills Center of Cincinnati in the city of Cincinnati.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the School have been prepared in conformity with generally accepted accounting principles as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with GASB pronouncements. The School does not apply FASB statements and interpretations issued after November 30, 1989. Also, the School implemented GASB Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This had no effect on the School's net assets. The more significant of the School's accounting policies are described below.

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION

The School's basic financial statements consist of a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows. Enterprise fund reporting focuses on the determination of the change in net assets, financial position and cash flows.

Auditor of State of Ohio Bulletin 2000-005 requires the presentation of all financial activity to be reported within one enterprise fund for year-end reporting purposes. Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Assets. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. BUDGETARY PROCESS

Unlike traditional public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Rev. Code Section 5705, unless specifically provided in the School's contract with its Sponsor. The contract between the School and its Sponsor requires a detailed school budget for each year of the contract; however, the budget does not have to follow the provisions of Ohio Rev. Code Section 5705.

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. CASH AND CASH EQUIVALENTS

All cash received by the School is maintained in a demand deposit account. For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Assets, investments with an original maturity of three months or less at the time they are purchased are considered to be cash equivalents.

E. INTERGOVERNMENTAL REVENUES

The School currently participates in the State Foundation Program, the State Disadvantaged Pupil Impact Aid (DPIA) Program, and the Career Based Intervention (CBI) Program, which are reflected under "State Aid" on the Statement of Revenues, Expenses, and Changes in Net Assets. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements, and contributions. Grants entitlements, and contributions are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the school must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. Amounts awarded under the above programs for the 2004 school year totaled \$2,207,273.

F. CAPITAL ASSETS AND DEPRECIATION

The School has no capital assets, as the School operates under a management agreement with WHLS. (See Note 8.)

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. USE OF ESTIMATES

In preparing the financial statements, management is sometimes required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. NET ASSETS

Net assets represent the difference between assets and liabilities. All of the School's net assets at June 30, 2004, were unrestricted.

I. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the School's primary activities. For the School, these revenues are primarily State Aid payments. Operating expenses are necessary costs incurred to provide the goods and services that are the primary activities of the School. Revenues and expenses not meeting this definition are reported as non-operating.

3. DEPOSITS

Deposits: At year-end, the carrying amount of the School's deposits was \$51,485 and the bank balance was \$51,846. Of that amount, all funds were insured and collateralized by the Federal Depository Insurance Corporation.

4. STATE FUNDING RECEIVABLE

The School has recognized on its Statement of Net Assets a "State Funding Receivable" for the amount of State Aid estimated to be paid to the School by the Ohio Department of Education (ODE) based on the difference in the amount the school actually received versus the amount earned through qualified student full-time equivalent (FTE) enrollment as determined at the end of the year. A receivable reflects that the School was funded on a lower estimated, qualified enrollment figure throughout the year than what the actual FTE enrollment figure was calculated to be at year-end. At June 30, 2004, the amount of "State Funding Receivable" was \$19,289.

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

5. CONTINUING FEES PAYABLE

Under the terms of the management agreement with WHLS (See Note 8.), a related “Continuing Fees Payable” in the amount of \$18,710 has been recorded by the School for 97 percent of the amount of “State Funding Receivable” due from the State. (See Note 4.)

6. GRANTS FUNDING RECEIVABLE/PAYABLE

The School has recorded “Grants Funding Receivable” in the amount of \$198,422 to account for the remainder of State and Federal awards allocated to the School, but not received as of June 30, 2004.

Additionally, under the terms of the management agreement (See Note 8.), the School has recorded a liability to WHLS in the amount of \$209,353 for 100 percent of any State and Federal monies uncollected or unpaid to WHLS as of June 30, 2004.

7. RISK MANAGEMENT

Property and Liability - The School is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As part of its management agreement with WHLS, WHLS has contracted with an insurance company for property and general liability insurance pursuant to the Management Agreement. There was no significant reduction in insurance coverage from the prior year and claims have not exceeded insurance coverage over the past two years. (See Note 8.)

Director and Officer - Coverage has been purchased by the School with a \$1,000,000 aggregate limit and no deductible.

8. AGREEMENT WITH WHLS

Effective December 18, 2001, the School entered into a five-year Management Agreement (Agreement) with WHLS, which is an educational consulting and management company. The Agreement’s term coincides with the School’s charter agreement and will renew for additional, successive one (1) year terms unless one party notifies the other party on or before the February 1st prior to the expiration of the then-current term of its intention to not renew the agreement. Substantially all functions of the School have been contracted to WHLS. WHLS is responsible and accountable to the School’s Board of Directors (the School Board) for the administration, operation and performance of the School in accordance with the School’s contract with the Ohio State Board of Education to operate the School. The School had purchased service expenses for the year ended June 30, 2004, to WHLS of \$2,147,756 and payables to WHLS at June 30, 2004, aggregating \$228,063. Significant provisions of the Agreement are as follows:

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

8. AGREEMENT WITH WHLS (Continued)

Financial Provisions

Management, Consulting, and Operation Fee. The School is required to pay WHLS a monthly continuing fee of 97 percent of the School's "Qualified Gross Revenues", defined in the Agreement as, "...all revenues and income received by the School except for charitable contributions" and "WHLS shall receive 100 percent of any and all grants or funding of any kind generated by WHLS, and its affiliates beyond the regular per pupil state funding received by the School, subject to any terms and conditions attached to the grants, if any." The continuing fee is paid to WHLS based on the previous month's qualified gross revenues.

Other School Financial Responsibilities. The School is responsible for its directors' and officers' insurance, legal fees for School Board representation and general corporate matters, accounting, audit, tax and consulting fees for the School, and other miscellaneous expenses not incurred in the normal day-to-day operation of the School.

WHLS Financial Responsibilities. Except as otherwise provided in the Agreement, all costs incurred in providing the educational program at the School are to be paid by WHLS. Such costs include, but are not limited to, salaries and benefits for all personnel, curriculum materials, textbooks, library books, computer and other equipment, software, supplies, building payments, maintenance, and capital improvements. All personal property used in the operation of the School is the property of WHLS, unless purchased directly by the School with Federal funds.

WHLS is required to maintain, at WHLS' expense, commercial general liability insurance in the name of the School in an amount not less than \$1 million per occurrence and \$2 million in the aggregate, and excess umbrella liability insurance of not less than \$10 million per occurrence and \$15 million in the aggregate.

Personnel. WHLS has the responsibility and authority to determine staffing levels, and to select, evaluate, assign, discipline, transfer and terminate personnel, consistent with state and federal law and the Agreement.

Compensation and benefits of all employees of the School is paid by WHLS. If WHLS fails to pay this compensation, the School, in its sole discretion, may pay such compensation and offset the amount by withholding an equal amount from the fees owed to WHLS under the Agreement.

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

8. AGREEMENT WITH WHLS (Continued)

Agreement Termination

Termination by the School. The School may terminate the Agreement in the event WHLS materially breaches the Agreement or the School's contract with the Ohio State Board of Education to operate the School and WHLS does not cure the material breach within 60 days of its receipt of written notice from the School, unless the breach cannot be reasonably cured within 60 days, in which case the WHLS shall promptly undertake and continue efforts to cure said material breach within a reasonable time.

Termination by WHLS. WHLS may, at its option, terminate the Agreement upon the occurrence of certain events as defined in the Agreement.

9. DEFINED BENEFIT PENSION PLANS

The School has contracted with WHLS to provide employee services and to pay those employees. However, these contract services do not relieve the School of the obligation for remitting pension contributions. The retirement systems consider the School as the Employer-of-Record and the School ultimately responsible for remitting retirement contributions to each of the systems noted below: (See Note 8.)

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM

WHLS, on behalf of the School contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit 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 State Statute Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215-3746.

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 2004, 9.09 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, up to a statutory maximum amount, by the SERS Retirement Board.

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

9. DEFINED BENEFIT PENSION PLANS (Continued)

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (Continued)

The School's required contributions for pension obligations to SERS for the years ended June 30, 2004, and 2003, were \$12,495 and \$3,223, respectively; of which 100 percent has been contributed.

B. STATE TEACHERS RETIREMENT SYSTEM

WHLS, on behalf of the School contributes to the State Teachers Retirement System of Ohio (STRS Ohio), which is a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members, and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report, which may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times 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 Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

9. DEFINED BENEFIT PENSION PLANS (Continued)

B. STATE TEACHERS RETIREMENT SYSTEM (Continued)

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

For the fiscal year ended June 30, 2004, 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 for the fiscal years ended June 30, 2004 and 2003 were \$38,987 and \$13,848, respectively; of which 100 percent has been contributed.

10. POSTEMPLOYMENT BENEFITS

WHLS, on behalf of the School, provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired classified employees and their dependents through the School Employees Retirement System (SERS).

Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

10. POSTEMPLOYMENT BENEFITS (Continued)

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the year ended June 30, 2004, the STRS Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the School, this amount equaled \$2,999 during the 2004 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3.1 billion at June 30, 2004. For the year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and STRS had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with 10 or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For fiscal year 2004, employer contributions to fund health care benefits were 4.91 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and member's pay, pro-rated for partial credit. For fiscal year 2004, the minimum pay was established at \$25,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2004, were \$223,443,805 and the target level was \$335.2 million.

At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits. For the School, the amount to fund health care benefits, including surcharge, equaled \$8,857 during the 2004 fiscal year.

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

11. CONTINGENCES

A. Grants

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, in the opinion of the School, any such adjustments will not have a material adverse effect on the financial position of the School.

B. Pending Litigation

The suit was filed in Franklin County Common Pleas Court on May 14, 2001, alleging Ohio's Community (i.e., Charter) School's program violates the state Constitution and state laws. On April 21, 2003, the Court dismissed the counts containing constitutional claims and stayed the other counts pending appeal of the constitutional issues. The plaintiffs appealed to the Court of Appeals, the issues have been briefed and the case was heard on November 18, 2003. On August 24, 2004, the Court of Appeals rendered a decision that Community Schools are part of the state public educational system and this matter was sent to the Ohio Supreme Court. The effect of this suit, if any on the Life Skills Center of Hamilton County is not presently determinable.

C. Full Time Equivalency

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state funding is calculated. The conclusions of this review could result in state funding being adjusted.

In January 2005, the Ohio Department of Education proposed adjustments to the School, which are currently being reviewed. However, in the opinion of the School, these adjustments will not have a material adverse effect on the financial position of the School.

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004
(Continued)**

12. STATE SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..." The School is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations

13. FEDERAL TAX EXEMPTION STATUS

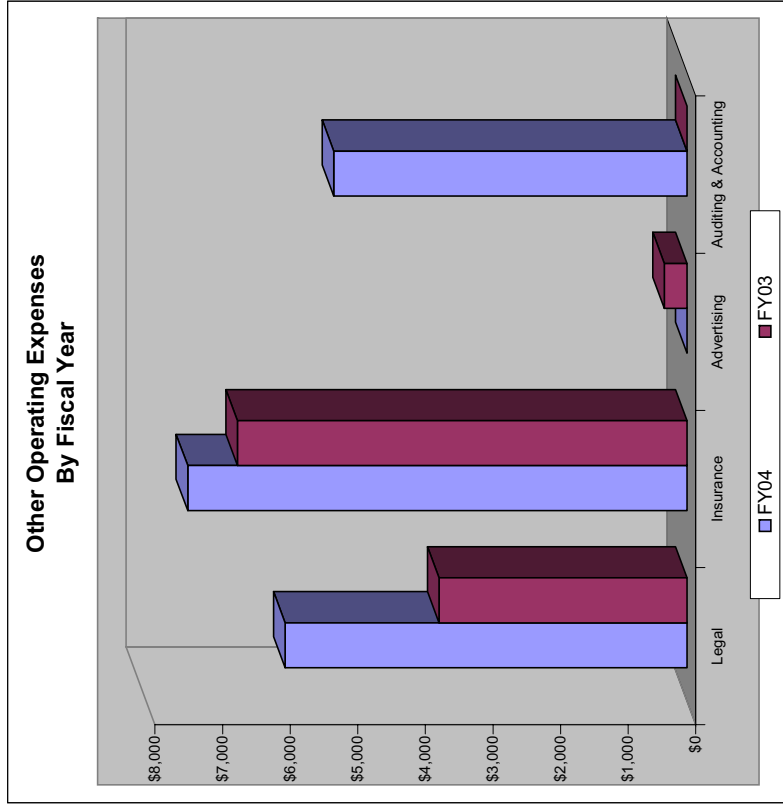
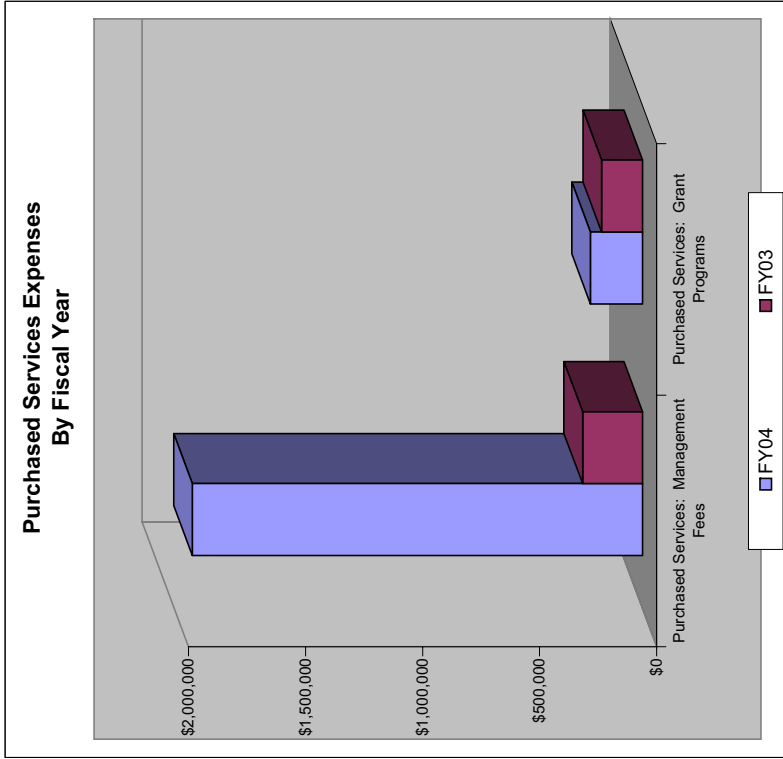
On January 13, 2004, the School resolved to move forward with its application for federal tax exemption under Internal Revenue Code Section 501(c)(3). In the interim, the School is beginning the process to file IRS Form 990, "Return of Organization Exempt From Income Tax".

This page intentionally left blank.

Statistical Section

**Life Skills Center of Hamilton County
Operating Expenses by Category
Last Two Fiscal Years**

Year	Purchased Services: Management Fees		Purchased Services: Grant Programs		Legal	Insurance	Advertising	Auditing & Accounting	Total	FTE Enrollment	Per Pupil Expenditure						
2004	\$	1,924,335	\$	223,421	\$	5,944	\$	7,386	\$	-	\$	5,227	\$	2,166,313	304	\$	7,126
2003	\$	256,796	\$	175,700	\$	3,669	\$	6,650	\$	337	\$	-	\$	443,152	43	\$	10,306

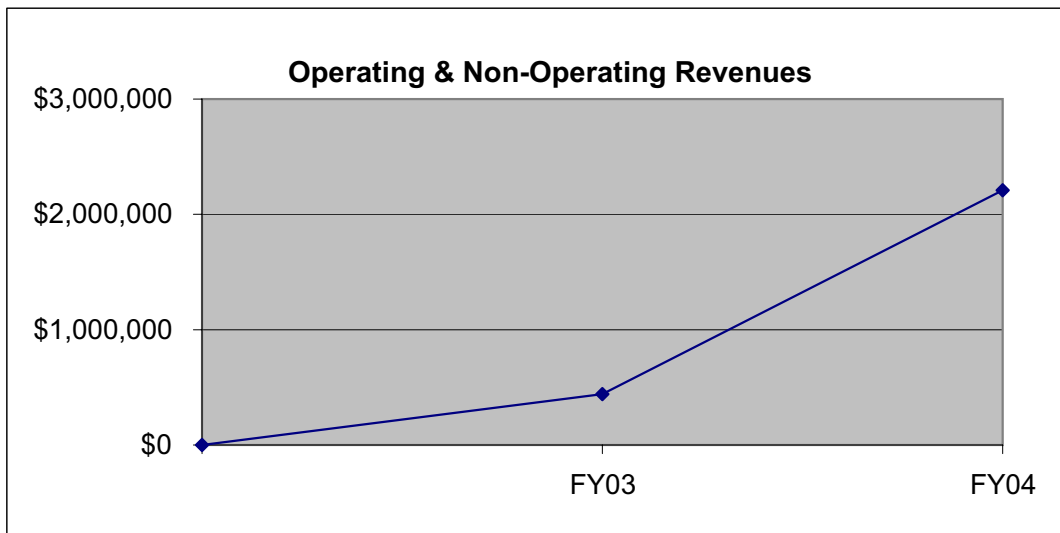


Note: The School began enrolling student in FY03.

Source: School Financial Records

**Life Skills Center of Hamilton County
Operating and Non-Operating Revenues
Last Two Fiscal Years**

<u>Year</u>	<u>State Aid</u>	<u>Grants</u>	<u>Other</u>	<u>Total</u>
2004	\$ 1,983,851	\$ 223,422	\$ 500	\$ 2,207,773
2003	\$ 264,738	\$ 175,700	\$ -	\$ 440,438

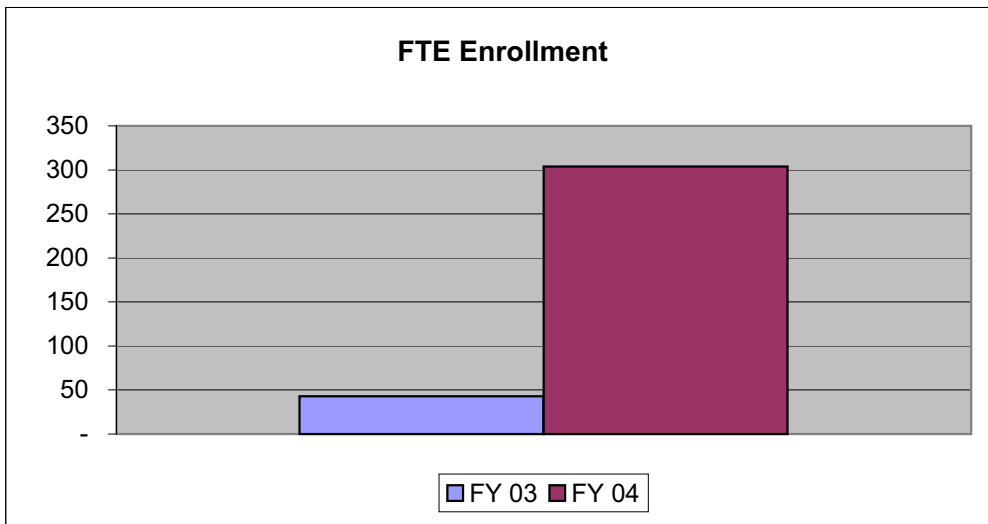


Note: The School began enrolling students in FY03.

Source: School Financial Records

**Life Skills Center of Hamilton County
Full-Time Equivalent (FTE) Enrollment
Last Two Fiscal Years**

<u>Year</u>	<u>Enrollment</u>
2004	304
2003	43

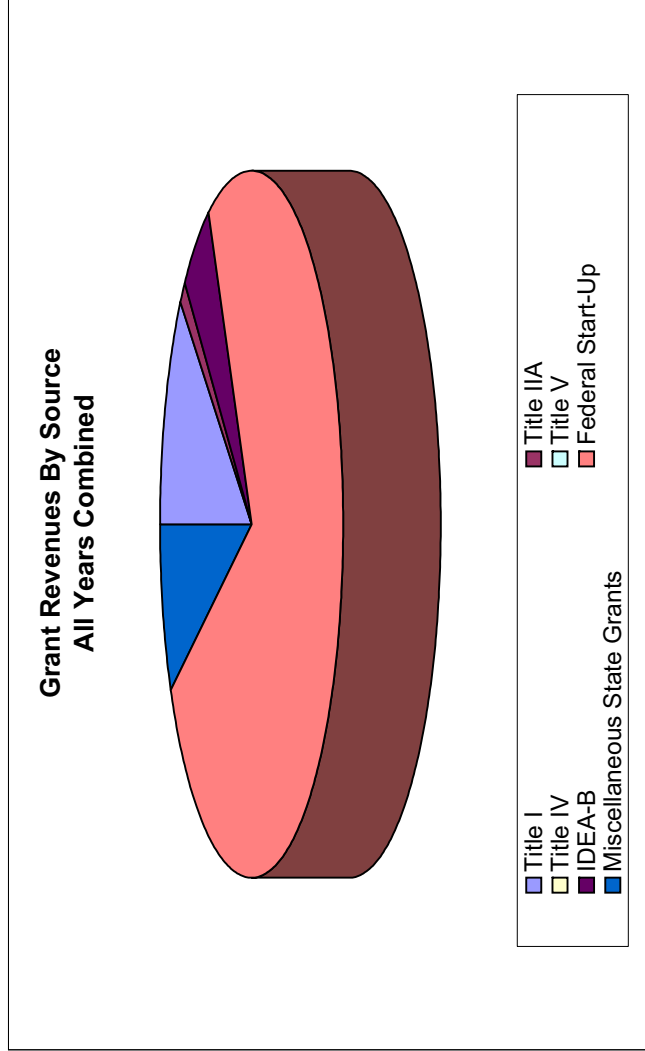


Note: The School began enrolling students in FY03.

Source: School Financial Records

**Life Skills Center of Hamilton County
Grant Revenues By Source
Last Two Fiscal Years**

Year	Title I	Title IIA	Title IV	Title V	IDEA-B	Federal Start-Up	Miscellaneous State Grants	Total
2004	\$ 43,747	\$ 3,446	\$ 76	\$ 177	\$ 20,976	\$ 150,000	\$ 5,000	\$ 223,422
2003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 25,700	\$ 175,700

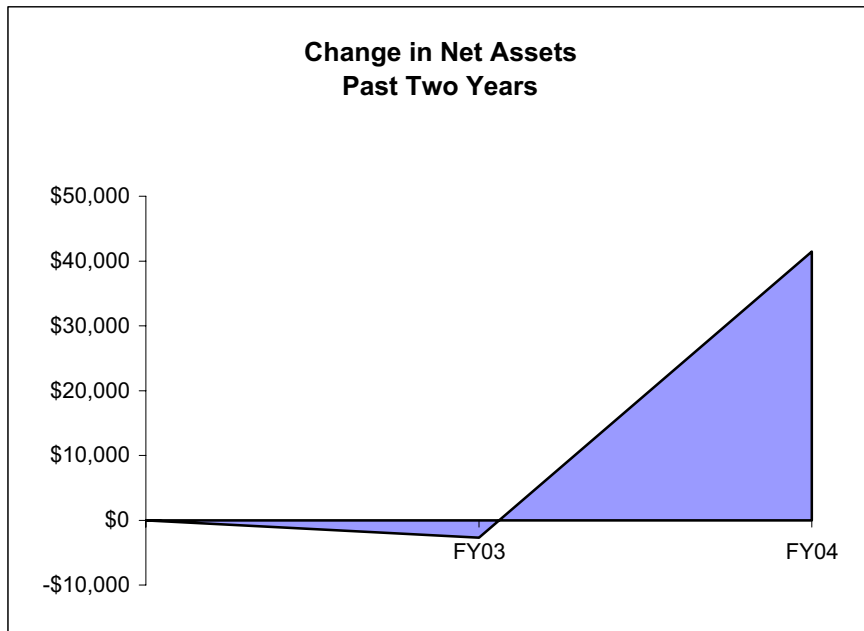


Note: The School began enrolling students in FY03.

Source: School Financial Records

**Life Skills Center of Hamilton County
Net Assets
Last Two Fiscal Years**

<u>Year</u>	<u>Unrestricted</u>	<u>Change in Net Assets</u>
2004	\$ 38,746	\$ 41,460
2003	\$ (2,714)	\$ (2,714)

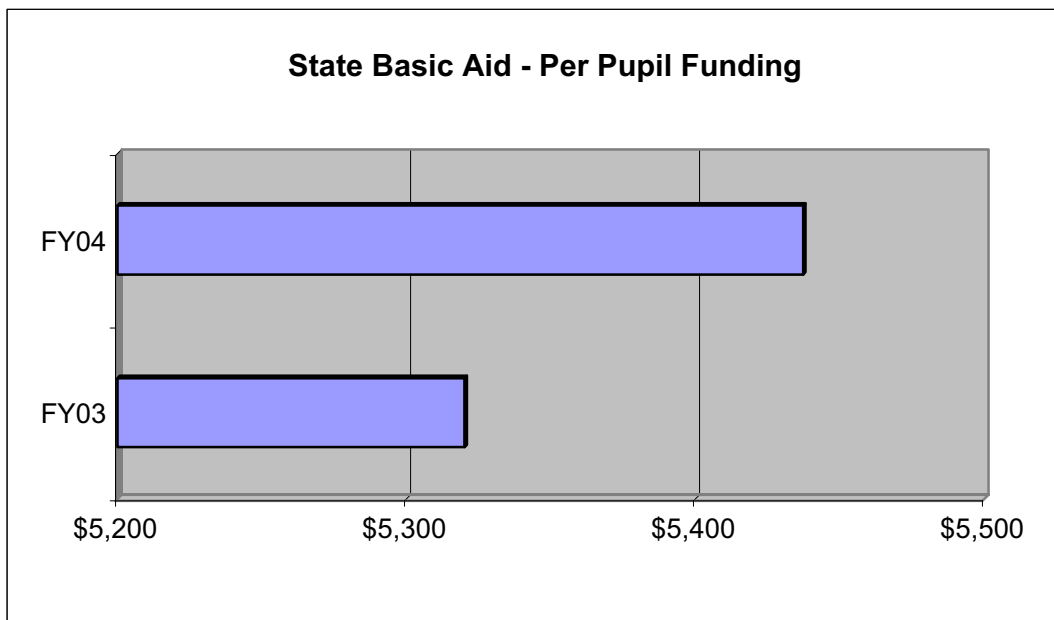


Note: The School began enrolling students in FY03.

Source: School Financial Records

**Life Skills Center of Hamilton County
State Basic Aid - Per Pupil Funding Amount
Last Two Fiscal Years**

<u>Year</u>	<u>Per Pupil Funding</u>	<u>Cost of Doing Business Factor</u>	<u>Total Per Pupil Funding</u>
2004	\$ 5,058	1.075	\$ 5,437
2003	\$ 4,949	1.075	\$ 5,320



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

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

Note 2: The School began enrolling students in FY03.

Source: Ohio Department of Education

**Life Skills Center of Hamilton County
Student Population by Resident District
2004 Fiscal Year**

<u>Resident District</u>	<u>%</u>
Cincinnati Public Schools	52.93%
Northwest School District	10.00%
Princeton School District	8.51%
Norwood City Schools	6.08%
Winton Woods School District	4.55%
Mt. Healthy Schools District	4.48%
Finneytown School District	2.43%
All Other Districts	11.02%

Note 1: The School has open enrollment and draws its student population from a large surrounding area. The traditional school district that the student resides in is referred to as the "Resident District".

Districts representing less than 2 percent of the student population have been combined under the heading "All Other Districts".

Source: Ohio Department of Education website.

**Life Skills Center of Hamilton County
Miscellaneous Statistics**

School Address: 7710 Reading Road
Cincinnati, OH 45237

Square Footage 15,317 sq. ft.

Date of Incorporation: 11/21/2001

**Number of FY04
Instructional Staff:** 12

Total FY04 Staff: 17

**Student/ Instructional
Staff Ratio:** 25:1

} Note: All staff are employees of WHLS of Ohio, LLC. See Note 8
in Notes to the Basic Financial Statements.

**Number of graduates
since inception:** 67

Source: School Records



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**LIFE SKILLS CENTER OF HAMILTON COUNTY
HAMILTON COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 15, 2005**