TOLEDO SCHOOL FOR THE ARTS
LUCAS COUNTY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Governing Board
Toledo School for the Arts
333 14th Street
Toledo, Ohio 43604

We have reviewed the *Independent Auditor's Report* of the Toledo School for the Arts, Lucas County, prepared by LublinSussman Group LLP, for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Toledo School for the Arts is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

May 1, 2012

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LublinSussman Group LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Toledo School for the Arts
Lucas County
333 14th Street
Toledo, OH 43604

To the Governing Board:

We have audited the accompanying financial statements of Toledo School for the Arts, Lucas 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 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 financial position of Toledo School for the Arts, Lucas County, Ohio, as of June 30, 2011, and the changes in financial position and cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit for the purpose of forming an opinion on the School's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this schedule to the auditing procedures applied in our audit of the School's financial statements in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

LublinSussman Group LLP

February 29, 2012
Toledo, Ohio

The discussion and analysis of Toledo School for the Arts (TSA) financial performance provides an overall review of TSA's financial activities for the fiscal year ended June 30, 2011. Readers should also review the basic financial statements and notes to enhance their understanding of TSA's financial performance.

Highlights

For the fiscal year ended June 30, 2011, TSA's net assets increased $592,807, or 67 percent from the prior fiscal year. Revenues increased 6 percent primarily due to an increase in State Foundation resources (based on enrollment) and an increase in contributions resulting from a pledge campaign. Expenses increased 3 percent. The excess of revenues over expenses provided for the significant increase in total net assets.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements.

The statement of net assets and the statement of revenues, expenses, and change in net assets reflect how TSA did financially during fiscal year 2011. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal years' revenues and expenses regardless of when cash is received or paid.

These statements report TSA's net assets and change in those assets. This change in net assets is important because it tells the reader whether the financial position of TSA has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating.

Table 1 provides a summary of TSA's net assets for fiscal year 2011 and fiscal year 2010:

Table 1
Net Assets

	2011	2010	Change
Assets:			
Current Assets	$1,032,811	$570,541	$462,270
Non-Current Assets (excluding capital assets)	667,683	660,332	7,351
Capital Assets, Net	4,081,116	4,191,399	(110,283)
Total Assets	5,781,610	5,422,272	359,338
Liabilities:			
Current Liabilities	726,399	773,173	46,774
Non-Current Liabilities	3,579,279	3,765,974	186,695
Total Liabilities	4,305,678	4,539,147	233,469

(continued)

Table 1
Net Assets

	2011	2010	Change
Net Assets:			
Invested in Capital Assets	$851,623	$793,624	$57,999
Restricted	390,803	391,380	(577)
Unrestricted (Deficit)	233,506	(301,879)	535,385
Total Net Assets	$1,475,932	$883,125	$592,807

The increase in current assets was primarily due to an increase in State Foundation resources (based on enrollment) and an increase in contributions resulting from a successful pledge campaign. The decrease in net capital assets is due to annual depreciation expense.

The decrease in non-current liabilities resulted from the payment of debt principal for purchase of the facility.

Table 2 reflects the change in net assets for fiscal year 2011 and fiscal year 2010.

Table 2
Change in Net Assets

	2011	2010	Change
Operating Revenues:			
Foundation	$3,553,882	$3,387,947	$165,935
Sales	181,724	171,728	9,996
Tuition and Fees	3,656	0	3,656
Other Operating Revenues	42,755	54,942	(12,187)
Total Operating Revenues	3,782,017	3,614,617	167,400
Non-Operating Revenues:			
Operating Grants	875,930	916,136	(298,779)
Contributions and Donations	624,886	409,758	466,172
Interest Revenue	316	2,050	(1,734)
Capital Contributions	5,995	0	5,995
Total Non-Operating Revenues	1,507,127	1,327,944	171,654
Total Revenues	5,289,144	4,942,561	339,054
Operating Expenses:			
Salaries	2,511,250	2,324,335	(182,065)
Fringe Benefits	691,047	719,009	28,032
Purchased Services	826,582	799,614	(24,848)
Materials and Supplies	247,629	299,224	53,107
Depreciation	116,278	119,109	2,831
Other Operating Expenses	61,656	40,626	(21,030)
Total Operating Expenses	4,454,442	4,301,917	(143,973)
Non-Operating Expenses			
Interest Expense	241,895	255,892	13,997
Total Expenses	4,696,337	4,557,809	(129,976)
Increase in Nets Assets	592,807	384,752	209,078
Net Assets at Beginning of Year	883,125	498,373	384,752
Net Assets at End of Year	$1,475,932	$883,125	$592,807

The most significant changes in revenues are reflected in foundation revenues and contributions and donations. The increase in foundation revenue was based on increases in funding made by the State of Ohio and reflected in the per pupil allocation. The increase in contributions was the result of a pledge campaign during the fiscal year. Also, note the decrease in operating grants due to the lapse of grant resources obtained through the American Recovery and Reinvestment Act.

The most significant changes in expenses are reflected in salaries due to an increase in wages. As the organization has grown and continues to perform at the current "excellent" level, the management goal is to find a way to increase the compensation available for the faculty until it reaches some level of parity with public schools statewide.

Budgeting

TSA is not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705.

Capital Assets

At the end of fiscal year 2011, TSA had $4,081,116 invested in capital assets (net of accumulated depreciation). The change from the prior fiscal year is primarily due to annual depreciation. For further information regarding TSA's capital assets, refer to Note 6 to the basic financial statements.

Debt Administration

At the end of fiscal year 2011, TSA had outstanding development revenue bonds, in the amount of $3,399,167, and outstanding loans, in the amount of $366,807. Final maturity on the revenue bonds is in fiscal year 2028 and final maturity on the loans is in fiscal years 2014 and 2015. For further information regarding TSA's long-term obligations, refer to Note 11 to the basic financial statements.

Current Issues

On November 14, 2007, the Bowling Green State University voted to adopt the sponsorship contract of TSA for a period of five years, from July 1, 2008, through June 30, 2013. The sponsorship agreement was approved by the Office of Community Schools in November 2007.

In July 2008, Toledo School for the Arts established an endowment fund in partnership with The Toledo Community Foundation, Inc. This endowment was established to provide funding which would not otherwise be available through federal, state, or local sources. The balance of the endowment on June 30, 2011, was $28,892.40.

Contacting TSA's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of TSA's finances and to reflect TSA's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Kelley Allred, Treasurer, Toledo School for the Arts, 333 14th Street, Toledo, Ohio, 43604.

Toledo School for the Arts
Statement of Net Assets
June 30, 2011

Assets:	
Current Assets:	
Cash and Cash Equivalents	$651,492
Accounts Receivable	4,270
Intergovernmental Receivable	275,265
Restricted Assets:	
Cash and Cash Equivalents with Fiscal Agent	15,801
Pledges Receivable	85,983
Total Current Assets	1,032,811
Non-Current Assets:	
Restricted Assets:	
Cash and Cash Equivalents with Fiscal Agent	375,002
Pledges Receivable	131,200
Unamortized Bond Issuance Costs	161,481
Nondepreciable Capital Assets	58,300
Depreciable Capital Assets, Net	4,022,816
Total Non-Current Assets	4,748,799
Total Assets	5,781,610
Liabilities:	
Current Liabilities:	
Accounts Payable	6,093
Accrued Wages and Benefits Payable	353,973
Intergovernmental Payable	72,797
Accrued Interest Payable	2,976
Security Deposits	32,000
Deferred Revenue	71,865
Development Revenue Bonds Payable	130,833
Loans Payable	55,862
Total Current Liabilities	726,399
Non-Current Liabilities	
Development Revenue Bonds Payable	3,268,334
Loans Payable	310,945
Total Non-Current Liabilities	3,579,279
Total Liabilities	4,305,678
Net Assets:	
Invested in Capital Assets, Net of Related Debt	851,623
Restricted for:	
Current Debt Service	15,801
Future Debt Service	375,002
Unrestricted	233,506
Total Net Assets	$1,475,932

See Accompanying Notes to Basic Financial Statements

Toledo School for the Arts
Statement of Revenues, Expenses, and Change in Net Assets
For the Fiscal Year Ended June 30, 2011

Operating Revenues:	
Foundation	$3,553,882
Sales	181,724
Tuition and Fees	3,656
Other Operating Revenues	42,755
Total Operating Revenues	3,782,017
Operating Expenses:	
Salaries	2,511,250
Fringe Benefits	691,047
Purchased Services	826,582
Materials and Supplies	247,629
Depreciation	116,278
Other Operating Expenses	61,656
Total Operating Expenses	4,454,442
Operating Loss	(672,425)
Non-Operating Revenues (Expenses)	
Operating Grants	875,930
Contributions and Donations	624,886
Interest Revenue	316
Interest Expense	(241,895)
Total Non-Operating Revenues	1,259,237
Income before Contributions	586,812
Capital Contributions	5,995
Change in Net Assets	592,807
Net Assets at Beginning of Year - Restated (Note 3)	883,125
Net Assets at End of Year	$1,475,932

See Accompanying Notes to Basic Financial Statements

Toledo School for the Arts
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash Received from Foundation	$3,506,086
Cash Received from Sales	187,081
Cash Received from Tuition and Fees	3,656
Cash Received from Other Revenues	54,155
Cash Payments for Personal Services	(2,494,385)
Cash Payments for Fringe Benefits	(731,395)
Cash Payments for Goods and Services	(1,109,866)
Cash Payments for Other Expenses	(61,656)
Net Cash Used for Operating Activities	(646,324)
Cash Flows from Noncapital Financing Activities:	
Cash Received from Operating Grants	967,360
Cash Received from Contributions and Donations	607,534
Net Cash Provided by Noncapital Financing Activities	1,574,894
Cash Flows from Capital and Related Financing Activities	
Principal Paid on Development Revenue Bonds	(125,833)
Interest Paid on Development Revenue Bonds	(212,354)
Principal Paid on Loans	(51,967)
Interest Paid on Loans	(20,174)
Net Cash Used for Capital and Related Financing Activities	(410,328)
Cash Flows from Investing Activities:	
Cash Received from Interest	316
Net Increase in Cash and Cash Equivalents	518,558
Cash and Cash Equivalents at Beginning of Year	523,737
Cash and Cash Equivalents at End of Year	$1,042,295

Toledo School for the Arts
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

Reconciliation of Operating Loss	
to Net Cash Used for Operating Activities:	
Operating Loss	($672,425)
Adjustments to Reconcile Operating Loss	
to Net Cash Used for Operating Activities:	
Depreciation	116,278
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	13,137
Increase in Intergovernmental Receivable	(47,796)
Decrease in Accounts Payable	(35,655)
Increase in Accrued Wages and Benefits Payable	4,386
Decrease in Intergovernmental Payable	(27,869)
Increase in Deferred Revenue	3,620
Net Cash Used for Operating Activities	($646,324)

Non-Cash Capital Transactions

During fiscal year 2011, TSA received a contribution of capital assets, in the amount of $5,995.

Toledo School for the Arts
Statement of Fiduciary Assets and Liablilities
Fiduciary Funds
June 30, 2011

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Cash Equivalents	$25,069	$5,914
Liabilities:		
Due to Students	0	$5,914
Net Assets:		
Held in Trust for Scholarships	$25,069	

See Accompanying Notes to Basic Financial Statements

Toledo School for the Arts
Statement of Change in Fiduciary Net Assets
Private Purpose Trust Fund
June 30, 2011

	Private Purpose Trust
Additions:	
Contributions and Donations	$24,130
Deductions:	
Non-Instructional Services	16,981
Change in Net Assets	7,149
Net Assets at Beginning of Year - Restated (Note 3)	17,920
Net Assets at End of Year	$25,069

See Accompanying Notes to Basic Financial Statements

Note 1 - Description of the School

Toledo School for the Arts (TSA) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. TSA is an approved tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect TSA's tax exempt status. TSA's objective is to serve students who are not thriving in a traditional setting, desire meaningful learning experiences, and wish to regain a level of control over their educational experience. TSA encompasses a safe community environment, discovery based methods, parenting education, critical thinking, and problem solving. TSA's programs are currently available to students in grades 6 through 12. TSA, 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. TSA may acquire facilities as needed and contract for any services necessary for the operation of TSA.

TSA was approved for operation under a contract with Bowling Green State University (the Sponsor) for a period of five years commencing July 1, 2008. The Sponsor is responsible for evaluating the performance of TSA and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

TSA operates under the direction of an eighteen member Governing Board. The Governing 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, admission standards, and qualifications of teachers. It is staffed by fifteen classified employees, fifty certified teaching personnel, and nine administrative employees who provide services to five hundred forty-one students and other community members.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of TSA have been prepared in conformity with generally accepted accounting principles (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. TSA also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. TSA does not apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989. Following are the more significant of the TSA's accounting policies.

A. Basis of Presentation

TSA's basic financial statements consist of a statement of net assets; a statement of revenues, expenses, and change in net assets, and a statement of cash flows.

TSA uses enterprise accounting to maintain its financial records during the fiscal year. Enterprise accounting focuses on the determination of operating income, change in net assets, financial position, and cash flows. Enterprise accounting may be used to account for any activity for which a fee is charged to external users for goods or services.

Note 2 - Summary of Significant Accounting Policies (continued)

TSA also maintains two fiduciary funds. Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by TSA under a trust agreement for individuals, private organizations, or other governments and are not available to support TSA'S own programs. TSA's private purpose trust fund accounts for programs that provide college scholarships to students after graduation. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. TSA's agency fund accounts for various non-instructional student-managed activities.

C. Measurement Focus

TSA is accounted for using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of TSA are included on the statement of net assets. The statement of revenues, expenses, and change in net assets presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The statement of cash flows reflects how TSA finances and meets its cash flow needs.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. TSA's financial statements are prepared using the accrual basis of accounting. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded when the exchange takes place. Revenues resulting from nonexchange transactions, in which TSA receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which TSA must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to TSA on a reimbursement basis. Expenses are recognized at the time they are incurred.

E. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided by TSA's contract with its Sponsor. The contract between TSA and its Sponsor does prescribe a budget requirement.

F. Cash and Cash Equivalents

Cash held by TSA is reflected as "Cash and Cash Equivalents" on the statement of net assets. Investments with an original maturity of three months or less at the time they are purchased are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments. During fiscal year 2011, TSA invested in mutual funds which are reported at fair value. Fair value is based on current share price.

Cash and cash equivalents that are held separately with the Bank of New York are recorded as "Cash and Cash Equivalents with Fiscal Agent".

Note 2 - Summary of Significant Accounting Policies (continued)

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions.

Restricted assets represent certain resources which are segregated from other resources of TSA to comply with various covenants established by bond financing agreements. These assets are generally held in separate accounts of TSA or by a trustee. The various covenants place restrictions on the use of these resources, require minimum balances to be maintained in certain accounts, and establish annual amounts to be accumulated for specific purposes.

H. Unamortized Issuance Costs

Issuance costs are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Issuance costs are recorded as deferred charges and are generally paid from debt proceeds.

I. Capital Assets

All capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their fair market value on the date donated. TSA maintains a capitalization threshold of five thousand dollars. TSA 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, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Useful Lives
Buildings and Building Improvements	15 - 50 years
Furniture, Fixtures, and Equipment	5-40 years

J. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing 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 adopted by TSA or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. TSA first applies restricted resources when an expense is incurred for which both restricted and unrestricted net assets are available.

Note 2 - Summary of Significant Accounting Policies (continued)

K. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of TSA. For TSA, these revenues are generally foundation payments from the State. TSA also received operating revenues from sales (ticket and store sales) and from tuition and fees. Operating expenses are necessary costs incurred to provide the service that is the primary activity of TSA. All revenues and expenses not meeting this definition are reported as non-operating.

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 - Restatement of Net Assets

In the prior fiscal year, TSA reported several funds incorrectly. The restatement had the following effect on net assets.

	Enterprise	Private Purpose Trust
Net Assets at June 30, 2010	$878,184	$22,861
Change in Fund Structure	4,941	(4,941)
Restated Net Assets at June 30, 2010	$883,125	$17,920

Note 4 - Deposits and Investments

At fiscal year end, the carrying amount of TSA's deposits was $698,276 and the bank balance was $829,870 of which $519,872 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in TSA's name. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject TSA to a successful claim by the FDIC.

As of June 30, 2011, TSA's investments consisted of mutual funds, in the amount of $375,002. The mutual funds had a AAA rating from Moody's and an average maturity of 45 days. TSA has no policy addressing interest rate risk.

Note 5 - Receivables

Receivables at June 30, 2011, consisted of accounts, intergovernmental, and pledges receivable. All receivables are considered collectible due to the stable condition of State programs and the current year guarantee of federal funds. All receivables, except pledges, are expected to be collected within one year. Pledges, in the amount of $131,200, will not be received within one year.

Note 5 - Receivables (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
State of Ohio	$53,894
Bowling Green State University	8,796
Oakland University	3,218
Education Jobs	120,485
Idea Part-B	13,501
Title I	60,777
Title II-A	2,166
Public Charter School Dissemination	12,428
Total Intergovernmental Receivables	$275,265

Note 6 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance at 6/30/10	Additions	Reductions	Balance at 6/30/11
Nondepreciable Capital Assets				
Land	$58,300	$0	$0	$58,300
Depreciable Capital Assets				
Buildings and Building Improvements	4,569,948	0	0	4,569,948
Furniture, Fixtures, and Equipment	72,955	5,995	0	78,950
Total Depreciable Capital Assets	4,642,903	5,995	0	4,648,898
Less Accumulated Depreciation				
Buildings and Building Improvements	(459,079)	(108,121)	0	(567,200)
Furniture, Fixtures, and Equipment	(50,725)	(8,157)	0	(58,882)
Total Accumulated Depreciation	(509,804)	(116,278)	0	(626,082)
Depreciable Capital Assets, Net	4,133,099	(110,283)	0	4,022,816
Capital Assets, Net	$4,191,399	($110,283)	$0	$4,081,116

TSA accepted contributions of depreciable capital assets with a fair value of $5,995 during fiscal year 2011.

Note 7 - Risk Management

TSA 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. During fiscal year 2011, TSA contracted for the following insurance coverage:

Coverage provided by The Netherlands Insurance Company is as follows:	
Building and Contents	$3,994,289
Umbrella Liability	2,000,000
General School District Liability	
Per Occurrence	1,000,000
Total Per Year	2,000,000
Automobile Liability	1,000,000
Uninsured Motorists	1,000,000

Settled claims have not exceeded this commercial coverage for the past three fiscal years, and there has been no significant reduction in insurance coverage from the prior fiscal year.

Workers' compensation coverage is provided by the State of Ohio. TSA pays the State Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 8 - Defined Benefit Pension Plans

A. State Teachers Retirement System

Plan Description - TSA participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that can be obtained by writing to the State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit Plan (DBP), a Defined Contribution Plan (DCP), and a Combined Plan (CP). The DBP offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service or on 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 DCP 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 fifty and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The CP offers features of both the DBP and the DCP. In the CP, 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 DBP. The DBP portion of the CP payment is payable to a member on or after age sixty; the DCP portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty. Benefits are established by Chapter 3307 of the Ohio Revised Code.

Note 8 - Defined Benefit Pension Plans (continued)

A DBP or CP 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 DCP who become disabled are entitled only to their account balance. If a member of the DCP dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the STRS Ohio Board upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salary. TSA was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

TSA's required contribution to STRS Ohio for the DBP and for the defined benefit portion of the CP were \$255,814 and \$5,495 for the fiscal year ended June 30, 2011, \$230,935 and \$9,443 for the fiscal year ended June 30, 2010, and \$220,037 and \$3,314 for the fiscal year ended June 30, 2009. For fiscal year 2011, 85 percent has been contributed for both the DBP and CP, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

The contribution to STRS Ohio for the DCP for fiscal year 2011 was \$10,272 made by TSA and \$7,337 made by the plan members. In addition, member contributions of \$3,925 were made for fiscal year 2011 for the defined contribution portion of the CP.

B. School Employees Retirement System

Plan Description - TSA participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and 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 stand-alone financial report that can be obtained by visiting the SERS website at www.ohsers.org under employers/audit resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and TSA is required to contribute 14 percent of annual covered payroll. The contribution requirement 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. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the system's funds (pension trust fund, death benefit fund, Medicare B fund, and health care fund). For the fiscal year ended June 30, 2011, the allocation to pension and death benefits was 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate was allocated to the Medicare B and health care funds. TSA's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 was \$49,908, \$36,767 and \$33,640, respectively. For fiscal year 2011, 83 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Note 9 - Postemployment Benefits

A. State Teachers Retirement System

Plan Description - TSA participates in a cost-sharing multiple-employer defined benefit Health Care 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. Ohio law authorizes STRS Ohio to offer the Plan. Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. The Plan is included in STRS Ohio's financial report which can be obtained by calling (888) 227-7877 or by visiting the STRS Ohio Web site at www.strsoh.org.

Funding Policy - Chapter 3307 of the Ohio Revised Code 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 Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions. For fiscal year 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to postemployment health care. TSA's contribution for health care for the fiscal years ended June 30, 2011, 2010, and 2009 was $20,891, $19,219, and $17,514, respectively. For fiscal year 2011, 85 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

B. School Employees Retirement System

Plan Description – TSA participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System (SERS) for classified retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians fees through several types of plans including HMO's, PPO's, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained by visiting the SERS website at www.ohsers.org under employers/audit resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each fiscal 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 fiscal year 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount. For fiscal year 2011, this amount was $35,800. For fiscal year 2011, TSA paid $6,271 in surcharge.

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

Note 9 - Postemployment Benefits (continued)

TSA's contribution for health care for the fiscal years ended June 30, 2011, 2010, and 2009 was $6,043, $1,323, and $15,395, respectively. For fiscal year 2011, 83 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For fiscal year 2011, this actuarially required allocation was .76 percent of covered payroll. TSA's contribution for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 was $3,212, $2,186, and $2,776, respectively. For fiscal year 2011, 83 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Note 10 - Other Employee Benefits

TSA provides medical benefits through Paramount, vision benefits through Vision Service Plan, and dental benefits through Delta Dental. The Board pays the entire monthly premium, except for part-time employees who pay a pro-rated portion for their benefits.

TSA also provides life insurance to active full-time employees through the Hartford Life Insurance Company.

Note 11 - Long-Term Obligations

Changes in TSA's long-term obligations during fiscal year 2011 were as follows:

	Balance at 6/30/10	Additions	Reductions	Balance at 6/30/11	Amounts Due Within One Year
Long-Term Obligations					
FY 2008 Development Revenue Bonds - 5.5%	$3,525,000	$0	$125,833	$3,399,167	$130,833
Loans Payable					
FY 2008 Loan - 7.25%	301,774	0	51,967	249,807	55,862
FY 2005 Loan - 0%	117,000	0	0	117,000	0
Total Loans	418,774	0	51,967	366,807	55,862
Total Long-Term Obligations	$3,943,774	$0	$177,800	$3,765,974	$186,695

FY 2008 Development Revenue Bonds - On December 19, 2007, Toledo Lucas County Port Authority issued bonds on behalf of TSA, in the amount of $3,750,000, for building acquisition and improvement. Of this amount, $375,000 was not capitalized. The bonds were issued for a twenty year period, with final maturity in fiscal year 2028.

The bonds are subject to optional redemption, by and at the sole option of TSA, either in whole or in part and in integral multiples of $5,000, on any date on or after November 15, 2017, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

Note 11 - Long-Term Obligations (continued)

The bonds are also subject to mandatory sinking redemption at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date, on each May 15 and November 15, in the following principal amounts and in the years specified:

Year	May 15 Principal Amount	November 15 Principal Amount
2008	$0	$40,000
2009	55,000	60,000
2010	60,000	60,000
2011	65,000	65,000
2012	65,000	70,000
2013	65,000	60,000
2014	60,000	60,000
2015	65,000	65,000
2016	65,000	70,000
2017	70,000	75,000
2018	75,000	80,000
2019	80,000	85,000
2020	85,000	85,000
2021	90,000	95,000
2022	95,000	100,000
2023	100,000	105,000
2024	110,000	110,000
2025	115,000	120,000
2026	120,000	125,000
2027	130,000	135,000
2028	515,000	0

FY 08 Loan - On December 1, 2007, TSA obtained a loan, in the amount of $400,000, from the Toledo Lucas County Port Authority for building acquisition and improvement. The loan was issued for a seven year period, with final maturity in fiscal year 2015.

FY 05 Loan - On July 15, 2004, TSA obtained a loan, in the amount of $150,000, from the Stranahan Foundtion for building acquisition and improvement. The loan was issued for a fifteen year period, with final maturity in fiscal year 2020. Effective, December 1, 2013, an annual interest rate of prime minus 1 percent will be charged on any outstanding principal balance.

Note 11 - Long-Term Obligations (continued)

Principal and interest requirements to retire outstanding long-term obligations at June 30, 2011, were as follows:

	Development Revenue Bonds	
Fiscal Year Ending June 30,	Principal	Interest
2012	$130,833	$204,020
2013	133,333	195,965
2014	120,000	188,163
2015	125,833	180,866
2016	130,833	173,114
2017-2021	799,168	732,438
2022-2026	1,075,000	456,600
2027-2028	884,167	83,371
Total	$3,399,167	$2,214,537

	FY 08 Loan	
Fiscal Year Ending June 30,	Principal	Interest
2012	$55,862	$16,279
2013	60,049	12,092
2014	64,551	7,590
2015	69,345	2,217
Total	$249,807	$38,178

	FY 05 Loan	
Fiscal Year Ending June 30,	Principal	Interest
2012	$0	$0
2013	33,000	0
2014	84,000	0
Total	$117,000	$0

Note12 - Operating Lease

TSA entered into an operating lease with Melkonian Investments for office and storage space located at 333 Fourteenth Street, Toledo, Ohio 43604. The period commenced in August 2007 and is ongoing. Lease payments were $2,400 for fiscal year 2011. At fiscal year end, all rent owed to the lessor was paid in full.

Note13 - Contingencies

A. Grants

TSA 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 is 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 TSA at June 30, 2011.

B. Full Time Equivalency

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by community schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which State foundation funding is calculated. The conclusions of this review could result in State funding being adjusted. Based on this review, TSA is expected to receive another $47,796 for fiscal year 2011. This amount is recorded as an intergovernmental receivable.

TOLEDO SCHOOL FOR THE ARTS
LUCAS COUNTY
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
(CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Receipts	Federal Disbursements
United States Department of Agriculture:				
(Passed through Ohio Department of Education)				
National School Lunch Program	10.555	N/A	$ 58,265	$ 58,265
United States Department of Education:				
(Passed through Ohio Department of Education)				
Special Education Cluster:				
Education Grants to States	84.027	2010	17,383	6,734
Education Grants to States	84.027	2011	75,728	68,230
ARRA - Special Education Grants to States	84.391	2010	2,302	70
ARRA - Special Education Grants to States	84.391	2011	79,390	79,326
Total Special Education Cluster:			174,803	154,360
Title I, Part A Cluster:				
Title I Grants to Local Educational Agencies	84.010	2010	34,218	28,563
Title I Grants to Local Educational Agencies	84.010	2011	160,953	166,833
ARRA - Title I Grants to Local Educational Agencies	84.389	2010	655	431
ARRA - Title I Grants to Local Educational Agencies	84.389	2011	71,244	83,774
Total Title I, Part A Cluster:			267,070	279,601
Title IV Safe and Drug-Free Schools	84.186	2010	2,323	279
Charter School Dissemination Grant				
Charter School Dissemination Grant	84.282	2010	(4,204)	5,093
Charter School Dissemination Grant	84.282	2011	35,077	47,505
Total Charter School Dissemination Grant			30,873	52,598

See Notes to Schedule of Federal Awards, Receipts and Expenditures

TOLEDO SCHOOL FOR THE ARTS
LUCAS COUNTY
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
(CASH BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Receipts	Federal Disbursements
Educational Technology:				
Educational Technology State Grants	84.318	2010	(47)	294
Educational Technology State Grants	84.318	2011	635	634
Total Educational Technology:			588	928
Education Jobs Bill	84.410	N/A	93,682	87,467
Title II-A Improving Teacher Quality:				
Title II-A Improving Teacher Quality Grant	84.367	2010	8,051	9
Title II-A Improving Teacher Quality Grant	84.367	2011	11,850	12,211
Total Title II-A Improving Teacher Quality:			19,901	12,220
ARRA-State Fiscal Stabilization Fund	84.394	2011	299,006	299,006
Total U.S. Department of Education			888,246	886,459
Total All Federal Assistance			$ 946,511	$ 944,724

See Notes to Schedule of Federal Awards Receipts and Expenditures

TOLEDO SCHOOL FOR THE ARTS
NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011

(1) BASIS OF PRESENTATION

The accompanying schedule of federal awards receipts and expenditures (the Schedule) summarizes the activity of Toledo School for the Arts (the School's) federal award programs. The Schedule has been prepared on the cash basis of accounting.

LublinSussman Group LLP
Certified Public Accountants

3166 N. Republic Blvd.
Toledo, Ohio 43615-1572
419-841-2848 Fax 419-841-8178

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

Toledo School for the Arts
Lucas County
333 14th Street
Toledo, OH 43604

To the Governing Board:

We have audited the basic financial statements of Toledo School for the Arts, Lucas County, Ohio; (the School) as of and for the year ended June 30, 2011, and have issued our report thereon dated February 29, 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 Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of control deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that we consider to be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information and use of the audit committee, management, the Governing Board, the Sponsor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lublin Sussman Group LLP

February 29, 2012
Toledo, Ohio

LublinSussman Group LLP
Certified Public Accountants

3166 N. Republic Blvd.
Toledo, Ohio 43615-1572
419-841-2848 Fax 419-841-8178

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Toledo School for the Arts
Lucas County
333 14th Street
Toledo, OH 43604

To the Governing Board:

Compliance

We have audited the compliance of the Toledo School for the Arts, Lucas County, Ohio; (the School) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School's management. Our responsibility is to express an opinion on the School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

In our opinion, the Toledo School for the Arts complied, in all material respects, with the requirements referred to above that are applicable to 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 the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of the audit committee, management, the Governing Board, the Sponsor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rehmann Robson / Weber Sussman Group LLP

February 29, 2012
Toledo, Ohio

TOLEDO SCHOOL FOR THE ARTS
LUCAS COUNTY

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(v)	Were there any material internal control weakness reported for major federal programs?	No
(d)(1)(vi)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(vii)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(viii)	Are there any reportable findings under Section .510(a)?	No
(d)(1)(ix)	Major Programs (list)	Title I, Part A Cluster: Title I - Grants to Local Educational Agencies CFDA #84.010 ARRA - Title I - Grants to Local Educational Agencies CFDA #84.389 ARRA State Fiscal Stabilization Fund - Education State Grants CFDA #84.394
(d)(1)(x)	Dollar Threshold: Type A/B Programs	Type A: > $300,000 Type B: all others
(d)(1)(xi)	Low Risk Auditee?	No

SCHEDULE OF FINDINGS (CONTINUED)
OMB CIRCULAR A-133 SECTION .505
FOR THE YEAR ENDED JUNE 30, 2011

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2011

No prior audit findings.

Dave Yost • Auditor of State

TOLEDO SCHOOL FOR THE ARTS

LUCAS 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
MAY 15, 2012

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