

**Newburgh Heights Community  
School Foundation, Inc. dba  
Washington Park Community  
School, Cuyahoga County**

\* \* \*

*Basic Financial Statements*

*Fiscal Years Ended June 30, 2009 and 2008*





Mary Taylor, CPA  
Auditor of State

Board of Directors  
Newburg Heights Community School Foundation, Inc.  
dba Washington Park Community School  
400 Washington Park Blvd.  
Newburg Heights, Ohio 44105

We have reviewed the *Independent Auditor's Report* of the Newburg Heights Community School Foundation, Inc. dba Washington Park Community School, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period July 1, 2008 through June 30, 2009. 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 Newburg Heights Community School Foundation, Inc. dba Washington Park Community School is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

November 20, 2009

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**NEWBURGH HEIGHTS COMMUNITY SCHOOL FOUNDATION, INC., DBA  
WASHINGTON PARK COMMUNITY SCHOOL  
CUYAHOGA COUNTY**

*For the Fiscal Years Ended June 30, 2009 and 2008  
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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

*Focused on Your Future.*

October 27, 2009

The Board of Directors  
Newburgh Heights Community School Foundation, Inc., dba  
Washington Park Community School  
4000 Washington Park Boulevard  
Newburgh Heights, Ohio 44106

## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of the Washington Park Community School (the School), as of and for the years ended June 30, 2009 and 2008, which comprises the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Washington Park Community School, as of June 30, 2009 and 2008, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2009 on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 7 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Hea & Associates, Inc.*

**Newburgh Heights Community School Foundation, Inc., dba  
Washington Park Community School  
Cuyahoga County**

*Management's Discussion and Analysis  
For Fiscal Years Ended June 30, 2009 and 2008*

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The discussion and analysis of Newburgh Heights Community School Foundation, Inc., dba Washington Park Community School's (the "School") financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2009 and 2008. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review the Notes to the Basic Financial Statements and the Basic Financial Statements to enhance their understanding of the School's financial performance.

Certain comparative information between the current fiscal year and the prior fiscal year is required to be presented in the MD&A. Due to the comparative presentation within the basic financial statements, a comparison analysis between fiscal year 2008 and fiscal year 2007 is also required.

### **Financial Highlights**

Key financial highlights for 2009 are as follows:

- In total, net assets increased \$107,470, which represents a 15.2% increase from 2008. This increase is due primarily to an increase in federal and state subsidies.
- Total assets increased \$122,482, which represents a 13.9% increase from 2008. This increase is due primarily to an increase in cash and investments.
- Liabilities, which are made up of accrued wages and benefits and accounts payable, increased \$15,012 which represents a 8.8% increase from 2008. This increase is primarily due to the accrual for Salary, Wages and Benefits increasing from 2008.
- Operating revenues increased by \$37,925, which represents a 2.2% increase from 2008. The majority of this increase is due to increased enrollment resulting in increased state funding.
- Operating expenses increased by \$30,541, which represents a 1.5% increase from 2008. Operating expense increases are due primarily to a increase in salaries.
- Non-operating revenues increased by \$83,809, which represents a 26.4% increase from 2008. This increase is due to increased State and Federal grants.

### **Using this Annual Financial Report**

This annual report consists of three parts, the Management's Discussion and Analysis, the Basic Financial Statements and the Notes to the Basic Financial Statements. The Basic Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets and a Statement of Cash Flows.

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets answer the question, "How did we do financially during fiscal year 2009 and 2008?" The Statement of Net Assets includes all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most companies in the private sector. This



**Newburgh Heights Community School Foundation, Inc., dba  
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*Management's Discussion and Analysis  
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basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

**Statement of Net Assets**

The following schedule provides a summary of the School's Statement of Net Assets for fiscal years ended June 30, 2009, 2008 and 2007:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Assets</b>			
<i>Current assets:</i>			
Equity in pooled cash and investments	\$ 686,838	\$ 609,029	\$ 650,933
Investments	102,770	0	0
Due from other governments	<u>19,628</u>	<u>46,238</u>	<u>5,247</u>
<i>Total current assets</i>	<u>809,236</u>	<u>655,267</u>	<u>656,180</u>
<i>Noncurrent assets:</i>			
Capital assets (net of accumulated depreciation)	<u>193,197</u>	<u>224,684</u>	<u>226,188</u>
<i>Total assets</i>	<u>1,002,433</u>	<u>879,951</u>	<u>882,368</u>
<b>Liabilities</b>			
<i>Current liabilities:</i>			
Accounts payable	6,624	5,228	0
Accrued wages and benefits	<u>179,573</u>	<u>165,957</u>	<u>189,879</u>
<i>Total current liabilities</i>	<u>186,197</u>	<u>171,185</u>	<u>189,879</u>
<b>Net Assets</b>			
Invested in capital assets	193,197	224,684	226,188
Unrestricted	<u>623,039</u>	<u>484,082</u>	<u>466,301</u>
<i>Total net assets</i>	<u>\$ 816,236</u>	<u>\$ 708,766</u>	<u>\$ 692,489</u>

In 2009, net assets increased \$107,470 and in 2008, net assets increased \$16,277. The increase is primarily due to increased State and Federal subsidies and grants. For assets, cash and investments increased \$180,579 in 2009 and decreased \$41,904 in 2008; due from other governments decreased \$26,610 in 2009 and increased \$40,991 in 2008; and capital assets decreased \$31,487 in 2009 and \$1,504 in 2008. For liabilities, accrued wages and benefits increased \$13,616 in 2009 and decreased by \$23,922 in 2008. Accounts payable increased \$1,396 in 2009 and \$5,228 in 2008. Causes of these changes were discussed in the Financial Highlights section.

**Newburgh Heights Community School Foundation, Inc., dba  
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*Management's Discussion and Analysis  
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**Statement of Revenues, Expenses and Changes in Net Assets**

The Statement of Revenues, Expenses and Changes in Net Assets report operating and nonoperating activities for the fiscal years ended June 30, 2009 and 2008.

The following schedule provides a summary of the School's Statement of Revenues, Expenses and Changes in Net Assets for fiscal years ended June 30, 2009, 2008 and 2007:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Revenues</b>			
Foundation and DPIA Revenues	\$ 1,739,692	\$ 1,697,192	\$ 1,619,005
Other Operating Revenue	12,313	15,856	13,172
Federal and State Grants	390,052	298,697	266,936
Investment income	11,373	18,919	13,348
Charges for services	<u>0</u>	<u>1,032</u>	<u>1,116</u>
 Total Revenues	 <u>2,153,430</u>	 <u>2,031,696</u>	 <u>1,913,577</u>
<b>Expenses</b>			
Salaries	1,117,871	1,086,372	1,169,745
Fringe Benefits	340,005	313,030	269,133
Purchased Services	308,102	372,815	339,086
Materials and Supplies	186,195	130,790	127,172
Depreciation	31,487	56,091	63,380
Other Operating Expenses	<u>62,300</u>	<u>56,321</u>	<u>53,209</u>
 Total Expenses	 <u>2,045,960</u>	 <u>2,015,419</u>	 <u>2,021,725</u>
 <b>Net Income</b>	 107,470	 16,277	 (108,148)
 Net Assets at Beginning of Year	 <u>708,766</u>	 <u>692,489</u>	 <u>800,637</u>
 <b>Net Assets at End of Year</b>	 <u>\$ 816,236</u>	 <u>\$ 708,766</u>	 <u>\$ 692,489</u>

Net assets increased in fiscal years ended June 30, 2009 and 2008 and decreased for fiscal year ended June 30, 2007. Increases in 2009 and 2008 were due in part, to increased revenues generated from the increase in enrollment and also Disadvantaged Pupil Impact Aid (DPIA) funding. Although certain expenditures such as salaries will increase as the number of classes increase, other costs remain fixed such as facilities costs resulting in more efficient operations. The increased student population has been the result of additional grade levels. The school does not presently intend to add more grade levels, so the increase in revenues will probably not increase in the near future. For that reason, school management is

**Newburgh Heights Community School Foundation, Inc., dba  
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*Management's Discussion and Analysis  
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wary of the increasing bottom line and plans to begin an investment program to most appropriately capitalize on present assets.

The most significant increases in revenues is State Foundation funding and DPIA, which increased \$42,500 in 2009 and \$78,187 in 2008; Other Operating Revenues decreased \$3,543 in 2009 and increased by \$2,684 in 2008; and Federal and State Grants increased \$91,355 in 2009 and \$31,761 in 2008 primarily due to enrollment increases.

Salaries and Fringe Benefits increased \$58,474 in 2009 and decreased \$39,476 in 2008 due to additional staffing and annual increases. Purchased Services decreased \$64,713 in 2009 and increased \$33,729 in 2008. Materials and Supplies increased \$55,405 in 2009 and decreased by \$3,618 in 2008. Depreciation decreased \$24,604 in 2009 and \$7,289 in 2008 due to depreciation of aging assets.

**Capital Assets**

As of June 30, 2009, the School had capital assets of \$193,197 invested in furniture and equipment and leasehold improvements. This is a \$31,487 decrease over June 30, 2009. This was primarily the result of the recognition of depreciation expense.

The following schedule provides a summary of the School's capital assets as of June 30, 2009, 2008 and 2007:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Capital Assets (Net of Depreciation)</b>			
Furniture and Equipment	\$ 54,915	\$ 78,005	\$ 46,803
Leasehold Improvements	<u>138,282</u>	<u>146,679</u>	<u>179,385</u>
Net Capital Assets	<u>\$ 193,197</u>	<u>\$ 224,684</u>	<u>\$ 226,188</u>

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

**Newburgh Heights Community School Foundation, Inc., dba  
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*Management's Discussion and Analysis  
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**Current Financial Issues**

Washington Park Community School had a total of 225 students, 23 teaching staff members and expenses of \$2,045,960 for fiscal year ended June 30, 2009. As the School matures, we strive to maintain the high level of services we currently offer, to provide a strong educational product to our students and families and to maintain the reputation we have developed during these initial years.

**Contacting the School's Financial Management**

This financial report is designed to provide our constituents with a general overview of the School's finances and to show the School's accountability for the monies it receives. If you have any questions about this report or need additional information, please contact Ms. Beth Hargreaves, Treasurer, Newburgh Heights Community School Foundation, Inc., dba Washington Park Community School, 4000 Washington Park Boulevard, Newburgh Heights, Ohio 44105.

**Newburgh Heights Community School Foundation, Inc., dba  
Washington Park Community School**  
*Statements of Net Assets*  
*June 30, 2009 and 2008*

	2009	2008
<b>Assets</b>		
<i>Current assets:</i>		
Equity in pooled cash and cash equivalents	\$ 686,838	\$ 609,029
Investments	102,770	0
Due from other governments	19,628	46,238
<i>Total current assets</i>	<u>809,236</u>	<u>655,267</u>
<i>Noncurrent assets:</i>		
Capital assets (net of accumulated depreciation)	<u>193,197</u>	<u>224,684</u>
<i>Total assets</i>	<u>1,002,433</u>	<u>879,951</u>
<b>Liabilities</b>		
<i>Current liabilities:</i>		
Accounts payable	6,624	5,228
Accrued wages and benefits	<u>179,573</u>	<u>165,957</u>
<i>Total current liabilities</i>	<u>186,197</u>	<u>171,185</u>
<b>Net assets</b>		
Invested in capital assets	193,197	224,684
Unrestricted	<u>623,039</u>	<u>484,082</u>
<i>Total net assets</i>	<u>\$ 816,236</u>	<u>\$ 708,766</u>

See accompanying notes to the basic financial statements.

**Newburgh Heights Community School Foundation, Inc., dba  
Washington Park Community School**  
*Statements of Revenues, Expenses, and Changes in Net Assets  
For the Fiscal Years Ended June 30, 2009 and 2008*

	2009	2008
<b>Operating revenues</b>		
Foundation payments	\$ 1,739,692	\$ 1,697,192
Charges for services	0	1,032
Other operating revenues	12,313	15,856
<i>Total operating revenues</i>	1,752,005	1,714,080
<b>Operating expenses</b>		
Salaries	1,117,871	1,086,372
Fringe benefits	340,005	313,030
Purchased services	308,102	372,815
Materials and supplies	186,195	130,790
Depreciation	31,487	56,091
Other operating expenses	62,300	56,321
<i>Total operating expenses</i>	2,045,960	2,015,419
<i>Operating income (loss)</i>	(293,955)	(301,339)
<b>Nonoperating revenues (expenses)</b>		
Federal and State subsidies	390,052	298,697
Investment income	11,373	18,919
<i>Total non-operating revenues (expenses)</i>	401,425	317,616
<i>Change in net assets</i>	107,470	16,277
<i>Net assets at beginning of year</i>	708,766	692,489
<i>Net assets at the end of the year</i>	\$ 816,236	\$ 708,766

See accompanying notes to the basic financial statements.

**Newburgh Heights Community School Foundation, Inc., dba  
Washington Park Community School**  
*Statements of Cash Flows*  
*For the Fiscal Years Ended June 30, 2009 and 2008*

	2009	2008
<b>Increase (decrease) in cash</b>		
<b>Cash flows from operating activities:</b>		
Cash received from State of Ohio	\$ 1,766,302	\$ 1,656,201
Cash payments to suppliers for goods and services	(492,901)	(498,377)
Cash payments to employees for services	(1,444,260)	(1,423,324)
Other operating revenues	12,313	16,888
Other operating expenses	(62,300)	(56,321)
<i>Net cash provided by (used for) operating activities</i>	<u>(220,846)</u>	<u>(304,933)</u>
<b>Cash flows from non-capital financing activities:</b>		
Federal and State grants received	390,052	298,697
<i>Net cash provided by (used for) non-capital activities</i>	<u>390,052</u>	<u>298,697</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	0	(54,587)
<i>Net cash provided by (used for) capital and related financing activities</i>	<u>0</u>	<u>(54,587)</u>
<b>Cash flows from investing activities:</b>		
Investment earnings	11,373	18,919
Purchase of investments	(102,770)	0
<i>Net cash provided by (used for) investing activities</i>	<u>(91,397)</u>	<u>18,919</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	77,809	(41,904)
<i>Cash and cash equivalents at beginning of year</i>	<u>609,029</u>	<u>650,933</u>
<i>Cash and cash equivalents at end of year</i>	<u>\$ 686,838</u>	<u>\$ 609,029</u>
<b>Reconciliation of operating income (loss) to net cash Provided By (Used For) Operating Activities:</b>		
Operating income (loss)	\$ (293,955)	\$ (301,339)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	31,487	56,091
(Increase) decrease in assets:		
Due from other governments	26,610	(40,991)
Increase (decrease) in liabilities:		
Accounts payable	1,396	5,228
Accrued wages and benefits	13,616	(23,922)
<i>Total adjustments</i>	<u>73,109</u>	<u>(3,594)</u>
<i>Net cash provided by (used for) operating activities</i>	<u>\$ (220,846)</u>	<u>\$ (304,933)</u>

See accompanying notes to the basic financial statements.

**Newburgh Heights Community School Foundation, Inc., dba  
Washington Park Community School  
Cuyahoga County**

*Notes to the Basic Financial Statements  
For Fiscal Years Ended 30, 2009 and 2008*

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## **I. Description of the School and Reporting Entity**

Newburgh Heights Community School Foundation, Inc., dba, Washington Park Community School (the "School") is a non-profit 501(c)(3) corporation established pursuant to Ohio Revised Code Chapters 3314 and 3314.03 to establish a new start-up school in Cleveland Municipal School. The School, which is part of the State's education program, is independent of any School and is nonsectarian in its programs, admission policies, employment practices and all other operations. The School may sue and be sued, acquire facilities as needed and contract for any services necessary for the operation of the School. Management is not aware of any course of action or series of events that have occurred that might adversely affect the School's tax-exempt status.

The School was reassigned for operation under a contract with the Ohio Department of Education to the Lucas County Educational Service Center (the Sponsor) for a period of five years commencing in the 2006 academic year. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School operates under the direction of a self-appointing, five-member Board of Trustees (the "Board"). The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualifications of teachers. The Board controls the School's one instructional/support facility staffed by 14 non-certificated employees and 23 certificated full-time teaching personnel who provide services to approximately 225 students.

## **II. Summary of Significant Accounting Policies**

The financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The School also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities unless those pronouncements conflict with or contradict GASB pronouncements. The School has elected not to follow FASB guidance for its proprietary activities issued after November 30, 1989.

The following are the most significant of the School's accounting policies.

### **1. Basis of Presentation**

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



**Newburgh Heights Community School Foundation, Inc., dba  
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Cuyahoga County**

*Notes to the Basic Financial Statements  
For Fiscal Years Ended 30, 2009 and 2008*

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## 2. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Assets. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenses are recognized in the financial records and reported in the financial statements. The School'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, is recorded when the exchange takes place. Revenues resulting from nonexchange transactions, in which the School 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 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. Expenses are recognized at the time they are incurred.

## 3. Cash

Cash held by the School is reflected as "Equity in pooled 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 2009, the School invested in one long term negotiable certificate of deposit.

## 4. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, except section 5705.391 which requires the School to prepare a five year projection of operational revenues and expenditures.

## 5. Due From Other Governments

Monies due the School for the year ended June 30, 2009 and 2008 are recorded as "Due From Other Governments". A current asset for the receivable is recorded at the time of the event causing the monies to be due.

## 6. Capital Assets and Depreciation

Capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the dates received. The School does not possess any infrastructure.

Leasehold improvements are also 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.

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*Notes to the Basic Financial Statements  
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Depreciation of furniture and equipment and leasehold improvements is computed using the straight-line method over their estimated lives. All items with a useful life of one year or greater and a value of \$1,000 or more are capitalized. The School will also capitalize any purchases that are considered a “controlled” type asset per school policy, although it may be valued at less than \$1,000.

<u>Capital Asset Classification</u>	<u>Years</u>
Furniture and Equipment	5 - 10
Leasehold Improvements	5 - 39

**7. Intergovernmental Revenues**

The School currently participates in the State Foundation Program, the State Poverty Aid Program, the State Meals Program, the EMIS Subsidy Program, the Food Service Federal Grant Program, the IDEA Part B Program, Title I, Title II-A, Title II-D, Title V, Title IV-A, the Drug Free Grant Program, and the Miscellaneous Federal Grant Program. Revenues from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

Grants and entitlements are recognized as nonoperating revenues in the accounting period in which all eligibility requirements have been met.

Amounts awarded under the above named programs for the 2009 and 2008 school years totaled \$2,129,744 and \$1,995,889 respectively.

**8. Compensated Absences**

Vacation is taken in a manner which corresponds with the School calendar; therefore, the School does not accrue vacation time as a liability.

Sick leave benefits are earned at the rate of one day per month and cannot be carried into the subsequent year. No accrual for sick time is made since unused sick time is not paid to employees upon employment termination.

**9. Use of 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 these estimates.

**III. Deposits and Investments**

**Deposits** At fiscal years ended June 30, 2009 and 2008, the carrying amount of the School’s deposits totaled \$581,669 and \$609,029, respectively and its bank balances were \$627,368 and \$668,304, respectively. Of the bank balances:

1. \$627,368 was covered by the Federal Depository Insurance Corporation for fiscal year ended June 30, 2009 and \$400,068 for fiscal year ended June 30, 2008. The Ohio Depository Act stipulates that

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*Notes to the Basic Financial Statements  
For Fiscal Years Ended 30, 2009 and 2008*

FirstMerit Bank pledge collateral for the deposits of the School in a pool of securities under Section 135.181 of the Ohio Revised Code.

2. \$-0- and \$268,236 was uninsured and uncollateralized for fiscal years ended June 30, 2009 and 2008. Although the securities serving as collateral were held by the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School to a successful claim by the FDIC.

**Investments**

Investments are reported at fair value. As of June 30, 2009, the School had the following investments:

	Fair Value	Investment Maturities (in years) 0-1	Investment Maturities (in years) 1-2	Percent of Total	Ratings by Moody's
Money Market Mutual Fund	\$ 105,169	\$ 105,169	\$ 0	51%	N/A
Negotiable CD	102,770	0	102,770	49%	Baa2
	<u>\$ 207,939</u>	<u>\$ 105,169</u>	<u>\$ 102,770</u>	<u>100%</u>	

**Interest Rate Risk:** The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The School's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the School.

**Credit Risk:** The School's investments at June 30, 2009 are made up of a money market mutual fund, and a negotiable CD, which matures on July 23, 2010 and is FDIC insured.

**Custodial Credit Risk** – For an investment, custodial risk is that risk that, in the event of failure of the counterparty, the School will no longer be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**Concentration of Credit Risk:** The School places no limit on the amount the School may invest in any one issuer. Deposits are either covered by the Federal Depository Insurance Corporation or secured with pledged collateral, held and in the name of the pledging institution, in which the investments are held.

Protection of School's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of the School's cash and deposits is provided by the Federal Deposit Insurance Corporation, as

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Washington Park Community School  
Cuyahoga County**

*Notes to the Basic Financial Statements  
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well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

**IV. Capital Assets**

A summary of the School's capital assets at June 30, 2009 and 2008 follows:

	<u>Balance 7/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance 6/30/2009</u>
Capital Assets, Being Depreciated:					
Furniture and Equipment	\$ 147,606	\$ 0	\$ 0	\$ 0	\$ 147,606
Leasehold Improvements	354,633	0	0	0	354,633
Total Capital Assets, Being Depreciated	<u>502,239</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>502,239</u>
Less Accumulated Depreciation:					
Furniture and Equipment	(69,601)	(23,090)	0	0	(92,691)
Leasehold Improvements	<u>(207,954)</u>	<u>(8,397)</u>	<u>0</u>	<u>0</u>	<u>(216,351)</u>
Total Accumulated Depreciation	<u>(277,555)</u>	<u>(31,487)</u>	<u>0</u>	<u>0</u>	<u>(309,042)</u>
Total Capital Assets, Net	<u>\$ 224,684</u>	<u>\$ (31,487)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 193,197</u>
	<u>Balance 7/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance 6/30/2008</u>
Capital Assets, Being Depreciated:					
Furniture and Equipment	\$ 93,019	\$ 54,587	\$ 0	\$ 0	\$ 147,606
Leasehold Improvements	354,633	0	0	0	354,633
Total Capital Assets, Being Depreciated	<u>447,652</u>	<u>54,587</u>	<u>0</u>	<u>0</u>	<u>502,239</u>
Less Accumulated Depreciation:					
Furniture and Equipment	(46,216)	(23,385)	0	0	(69,601)
Leasehold Improvements	<u>(175,248)</u>	<u>(32,706)</u>	<u>0</u>	<u>0</u>	<u>(207,954)</u>
Total Accumulated Depreciation	<u>(221,464)</u>	<u>(56,091)</u>	<u>0</u>	<u>0</u>	<u>(277,555)</u>
Total Capital Assets, Net	<u>\$ 226,188</u>	<u>\$ (1,504)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 224,684</u>

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**V. Purchased Services**

For the following fiscal year ended, purchased services reported on the Statement of Revenues, Expenses, and Changes in Net Assets consisted of the following:

	<u>2009</u>	<u>2008</u>
Consulting Fees	\$ 124,880	\$ 144,281
General Services	<u>183,222</u>	<u>228,534</u>
Total	<u>\$ 308,102</u>	<u>\$ 372,815</u>

**VI. Risk Management**

1. Property and Liability Insurance

The School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2009, the School contracted with Indiana Insurance Company for property and general liability insurance with a \$2,000,000 aggregate limit.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

2. Workers' Compensation

The School makes premium payments to the State Workers' Compensation System for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

3. Employee Medical, Dental and Vision Benefits

The School has contracted with a private carrier to provide its full-time salaried employees medical/surgical benefits. The School paid premiums, up to \$250 per month per employee, for this coverage.

**VII. Defined Benefit Pension Plans**

1. School Employees Retirement System

The School contributes to the School Employees Retirement System of Ohio ("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 state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Forms and Publications

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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 rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The School's contributions to SERS for the years ended June 30, 2009, 2008 and 2007 were \$27,942, \$19,326 and \$33,780, respectively; 57 percent has been contributed for fiscal year 2009 and 100 percent for the fiscal years 2008 and 2007.

## 2. State Teachers Retirement System

The School participates in the State Teachers Retirement System of Ohio ("STRS Ohio"), a cost-sharing, multiple-employer defined benefit pension plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly-available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to allocate their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment accounts. 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 DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC plan who become disabled are entitled only to their account balance. If a member 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, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2008 (the latest information available), the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employer contributions.

The School's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2009, 2008 and 2007 were \$94,922, \$97,372 and \$83,217, respectively; 79 percent has been contributed for fiscal year 2009 and 100 percent for the fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$4,801 made by the School District and \$9,220 made by the plan members.

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Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. The Board's liability is 6.2% of wages paid.

### **VIII. Post Employment Benefits**

The School provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio ("STRS Ohio"), and to retired non-certified employees and their dependents through the School Employees Retirement System ("SERS"). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2009, 2008 and 2007. The School's contributions for fiscal years ended June 30, 2009, 2008 and 2007 were \$9,697, \$10,590 and \$7,776, respectively.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2008 (the latest information available), the balance in the Fund was \$3.7 billion. For the fiscal year ended June 30, 2008, net health care costs paid by STRS Ohio were \$288,878,000 and STRS Ohio had 126,506 eligible benefit recipients.

In addition to a cost-sharing multiple-employer defined benefit pension plan, SERS administers two postemployment benefit plans, the Medicare Part B Plan and the Health Care Plan. The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2008 was \$96.40; SERS' reimbursement to retirees was \$45.50. The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2008 (the latest information available), the actuarially required allocation was .66 percent. The School's contributions for the year ended June 30, 2009 were \$1,686, which equaled the required contributions for the year.

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2008, the health care

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allocation was 4.18 percent. The actuarially required contribution (ARC), as of the June 30, 2008 annual valuation (the latest information available), was 13.41 percent of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. The School's contributions for the years ended June 30, 2009, 2008 and 2007 were \$10,680, \$3,634 and \$9,331, respectively.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2008 (the latest information available), the minimum compensation level was established at \$35,800.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its Comprehensive Annual Financial Report. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Forms and Publications.

## **IX. Jointly Governed Organizations**

The Stark Portage Area Computer Consortium (SPARCC) is a jointly governed organization comprised of 28 Schools. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts. Each of the governments of these districts supports SPARCC based upon a per pupil charge dependent upon the software package utilized. The SPARCC assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent. SPARCC is governed by a board of directors chosen from the general membership of the SPARCC assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least one assembly member from each county in which participating districts are located. Financial information can be obtained by contacting the Treasurer at the Stark County Educational Services Center, which serves as fiscal agent, located at 2100 38th Street, NW, Canton, Ohio 44709. During the years ended June 30, 2009 and 2008, the School paid \$6,215 and \$5,946, respectively to SPARCC for basic service charges.

## **X. Contingencies**

### **1. Grants**

The School received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the School. However, in the opinion of management, any



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such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2009.

2. Enrollment FTE

The Ohio Department of Education conducts reviews of enrollment and full-time equivalency (FTE) calculations made by the Schools. These reviews are conducted to ensure the Schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The conclusions of this review could result in state funding being adjusted. FTE adjustments for 2008 were \$311 and 2009 information is not yet available at this time.

**XI. Rental Agreement**

Effective July 1, 2006, the School entered into a rental agreement with the Village of Newburgh Heights, Ohio, for the use of classrooms and office space. This agreement commenced on July 1, 2006 and was for the period of five years with a one year renewal option. Rental Expense for fiscal year 2009 and 2008 was \$78,000 and \$78,000, respectively.

**XII. Charter School Funding**

On October 25, 2006, the Ohio Supreme Court ruled that publicly funded, privately operated community (i.e. charter) schools are constitutional.



# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

*Focused on Your Future.*

October 27, 2009

To the Board of Directors  
Newburgh Heights Community School Foundation, Inc., dba  
Washington Park Community School  
Cuyahoga County, Ohio  
4000 Washington Park Boulevard  
Newburgh Heights, Ohio 44105

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

We have audited the accompanying financial statements of Washington Park Community School as of and for the year ended June 30, 2009, and have issued our report thereon dated October 27, 2009. 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 Washington Park Community School's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the 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 control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Washington Park Community School in a separate letter dated October 27, 2009.

Compliance and Other Matters

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

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

*Rea & Associates, Inc.*

**WASHINGTON PARK COMMUNITY SCHOOL  
SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2009**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken or Finding No Longer Valid Explain</b>
2008-001	Proper recording of capital assets and accrued wages.	Yes	



**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Newburgh Heights Community School Foundation, Inc. dba  
Washington Park Community School  
4000 Washington Park Blvd.  
Newburgh Heights, Ohio 44106

October 27, 2009

To the Board of Directors:

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

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

1. We noted the Board adopted an anti-harassment policy at its meeting on November 28, 2007.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
  - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
  - (2) A definition of harassment, intimidation, or bullying that shall include the definition in division (A) of Ohio Rev. Code Section 3313.666;

- (3) A procedure for reporting prohibited incidents;
- (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
- (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

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

*Rea & Associates, Inc.*



**Mary Taylor, CPA**  
Auditor of State

**WASHINGTON PARK COMMUNITY SCHOOL**  
**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED**  
**JANUARY 19, 2010**