



Dave Yost • Auditor of State

**WESTERN RESERVE KINDERGARTEN LEARNING ACADEMY
MAHONING COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Western Reserve Kindergarten Learning Academy
Mahoning County
13850 W. Akron Canfield Road
Berlin Center, Ohio 44401

To the Board of Directors:

We have audited the accompanying financial statements of Western Reserve Kindergarten Learning Academy, Mahoning County, Ohio (the Academy), as of and for the year ended June 30, 2010, which collectively comprise the Academy's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Western Reserve Kindergarten Learning Academy, Mahoning County, Ohio, as of June 30, 2010, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2011, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

March 1, 2011

Western Reserve Kindergarten Learning Academy

Mahoning County, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited*

The discussion and analysis of the Western Reserve Kindergarten Learning Academy's (the "Academy") financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

In total, net assets were \$24,967 at June 30, 2010.

The Academy had operating revenues of \$148,447 and operating expenses of \$322,937 for fiscal year 2010. The Academy also received \$177,851 in federal and state grants and \$77 in interest income during fiscal year 2010.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Academy's financial activities. The Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets provide information about the activities of the Academy, including all short-term and long-term financial resources and obligations.

Reporting the Academy Financial Activities

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

These documents look at all financial transactions and ask the question, how did we do financially during 2010? The Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. These bases of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Academy's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the Academy as a whole, the financial position of the Academy has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 7 and 8 of this report.

The Statement of Cash Flows provides information about how the Academy finances and is meeting the cash flow needs of its operations. The Statement of Cash Flows can be found on page 9 of this report.

The table below provides a summary of the Academy's net assets for fiscal year 2010 as compared to 2009:

Western Reserve Kindergarten Learning Academy
Mahoning County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

	Net Assets		
	2010	2009	Change
Assets			
Current Assets	\$40	\$8,928	(\$8,888)
Capital Assets, Net	46,247	32,969	13,278
<i>Total Assets</i>	<u>46,287</u>	<u>41,897</u>	<u>4,390</u>
Liabilities			
Current Liabilities	21,320	20,368	952
Net Assets			
Invested in Capital Assets	46,247	32,969	13,278
Restricted	0	3,000	(3,000)
Unrestricted (Deficit)	(21,280)	(14,440)	(6,840)
<i>Total Net Assets</i>	<u>\$24,967</u>	<u>\$21,529</u>	<u>\$3,438</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the Academy's net assets totaled \$24,967, an increase of \$3,438 from the prior fiscal year.

At year-end, capital assets represented 99.9 percent of total assets. The Academy purchased \$18,819 in capital assets during fiscal year 2010 consisting of furniture and equipment. There is no debt related to these capital assets. Capital assets are used to provide services to the students and are not available for future spending.

The table below shows the changes in net assets for fiscal year 2010 as compared to fiscal year 2009:

	Change in Net Assets		
	2010	2009	Change
Operating Revenues			
State Foundation	\$147,952	\$177,500	(\$29,548)
Tuition and Fees	495	903	(408)
<i>Total Operating Revenues</i>	<u>148,447</u>	<u>178,403</u>	<u>(29,956)</u>
Operating Expenses			
Personal Services	33,538	53,951	(20,413)
Purchased Services	177,307	177,546	(239)
Materials and Supplies	106,551	74,788	31,763
Depreciation	5,541	3,663	1,878
<i>Total Operating Expenses</i>	<u>322,937</u>	<u>309,948</u>	<u>12,989</u>
Non-Operating Revenues			
Federal and State Grants	177,851	153,000	24,851
Interest Income	77	74	3
<i>Total Non-Operating Revenues</i>	<u>177,928</u>	<u>153,074</u>	<u>24,854</u>
<i>Change in Net Assets</i>	<u>3,438</u>	<u>21,529</u>	<u>(18,091)</u>
Net Assets Beginning of Year	<u>21,529</u>	<u>0</u>	<u>21,529</u>
<i>Net Assets End of Year</i>	<u>\$24,967</u>	<u>\$21,529</u>	<u>\$3,438</u>

Western Reserve Kindergarten Learning Academy
Mahoning County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Capital Assets

At June 30, 2010, the Academy had \$46,247 invested in furniture and equipment compared to \$32,969 at June 30, 2009. See Note 4 to the basic financial statements for more detail on capital assets.

Current Financial Related Activities

The Academy relies on the State Foundation Funds as well as State and Federal Sub-Grants to provide the monies necessary to operate the Western Reserve Kindergarten Learning Academy.

In conclusion, the Academy focuses on an innovative approach to meet the needs of young students, who in many instances have little or no exposure to formal education, by utilizing an all day, every day approach to kindergarten that allows for rapid accelerated learning depending on the student's assessed needs. The Academy is a public school that provides an alternative to the traditional educational setting and management will aggressively pursue adequate funding to secure the financial stability of the Academy.

Contacting the Academy's Financial Management

This financial report is designed to provide our clients and creditors with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Carol E. Brobst, Treasurer, Western Reserve Local School District, 13850 Akron-Canfield Road, Berlin Center, Ohio 44401. The Treasurer may also be contacted by phone at 330-547-4100, extension 23203, or by email at wres_ceb@access-k12.org.

Western Reserve Kindergarten Learning Academy

Mahoning County, Ohio

Statement of Net Assets

June 30, 2010

	<u>Kindergarten Learning Academy</u>
Assets	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$40
<i>Non-Current Assets:</i>	
Depreciable Capital Assets, Net	46,247
<i>Total Assets</i>	<u>46,287</u>
Liabilities	
<i>Current Liabilities:</i>	
Accounts Payable	<u>21,320</u>
<i>Total Liabilities</i>	<u>21,320</u>
Net Assets	
Invested in Capital Assets	46,247
Restricted for:	
Unrestricted (Deficit)	<u>(21,280)</u>
<i>Total Net Assets</i>	<u><u>\$24,967</u></u>

See accompanying notes to the basic financial statements

Western Reserve Kindergarten Learning Academy

Mahoning County, Ohio

*Statement of Revenues,
Expenses and Changes in Net Assets
For the Fiscal Year Ended June 30, 2010*

	<u>Kindergarten Learning Academy</u>
Operating Revenues	
Intergovernmental - State Foundation	\$147,952
Tuition and Fees	495
<i>Total Operating Revenues</i>	<u>148,447</u>
Operating Expenses	
Personal Services	33,538
Purchased Services	177,307
Materials and Supplies	106,551
Depreciation	5,541
<i>Total Operating Expenses</i>	<u>322,937</u>
<i>Operating Loss</i>	<u>(174,490)</u>
Non-Operating Revenues	
Intergovernmental - Federal & State Grants	177,851
Interest	77
<i>Total Non-Operating Revenues</i>	<u>177,928</u>
<i>Change in Net Assets</i>	3,438
<i>Net Assets Beginning of Year</i>	<u>21,529</u>
<i>Net Assets End of Year</i>	<u><u>\$24,967</u></u>

See accompanying notes to the basic financial statements

Western Reserve Kindergarten Learning Academy

Mahoning County, Ohio

*Statement of Cash Flows
For the Fiscal Year Ended June 30, 2010*

	<u>Kindergarten Learning Academy</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from State Foundation	\$147,952
Cash Received from Services Provided	495
Cash Payments for Personal Services	(33,538)
Cash Payments to Suppliers for Goods and Services	(176,355)
Cash Payments for Materials and Supplies	<u>(106,551)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	(167,997)
Cash Flows from Non-Capital Financing Activities	
Federal and State Grants	177,851
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(18,819)
Cash Flows from Investing Activities	
Interest Received	<u>77</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(8,888)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>8,928</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$40</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	(\$174,490)
<i>Adjustments:</i>	
Depreciation	5,541
<i>Changes in Assets and Liabilities:</i>	
Increase in Accounts Payable	<u>952</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$167,997)</u></u>

See accompanying notes to the basic financial statements

Western Reserve Kindergarten Learning Academy

Mahoning County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Note 1 - Description of the Kindergarten Learning Academy

The Western Reserve Kindergarten Learning Academy (the "Academy") is a nonprofit corporation established pursuant to Ohio Revised Code Sections 3314 and 1702. The Academy focuses on an innovative approach to meet the needs of young students, who in many instances have little or no exposure to formal education, by utilizing an all day, every day approach to kindergarten that allows for rapid accelerated learning depending on the student's assessed needs. The Academy is a public school that provides an alternative to the traditional educational setting. The Academy, which is part of the State's education program, is nonsectarian in its programs, admissions policies, employment practices and all other operations. The Academy may acquire facilities as needed and contract for any services necessary for the operation of the Academy.

The Academy is a legally separate, start-up community school, served by a Board of Directors. The three people Board of directors, appointed by the Western Reserve Local School District, consist of one Ellsworth Township Trustee, a School Improvement Consultant from the State Support Team, Region 5, and a licensed social worker who is also a member of the community.

The Western Reserve Local School District sponsored the Academy during fiscal year 2010. Based on the significant services provide by the District to the Academy, the Academy's purpose of service to the students within the District, and the relationship between the Governing Board of the District and the Board of Directors of the Academy, the Academy is a component unit of the District.

The Area Cooperative Computerized Educational Service System (ACCESS), under a purchased services basis with the Academy, provides internet, e-mail and other services to the Academy (Note 7). Personnel providing services to the Academy on behalf of the Western Reserve Local School District are considered employees of the District and the District shall be solely responsible for all payroll functions. The Academy provides services to approximately 42 students.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements (BFS) of the Academy have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Academy also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, provided those pronouncements do not conflict or contradict GASB pronouncements. The Academy does not apply FASB Statements and Interpretations issued after November 30, 1989. The Academy's significant accounting policies are described below.

A. Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses) 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.

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

Western Reserve Kindergarten Learning Academy

Mahoning County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

B. Measurement Focus and Basis of Accounting

Enterprise fund accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is used for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Section 5705, unless specifically provided in the Academy's contract with its Sponsor. The contract between the Academy and its Sponsor requires the Academy to submit a financial plan detailing an estimated Academy budget for each fiscal year of the contract, or five years, whichever is less.

D. Cash

Cash received by the Academy is maintained in a demand deposit account.

E. Capital Assets and Depreciation

Capital assets are capitalized at cost or estimated historical cost and updated for additions and deletions during the year. The Academy maintains a capitalization threshold of \$1,000. The Academy does not have any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated using the straight-line method. Equipment is depreciated over ten years.

F. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

G. Intergovernmental Revenues

The Academy currently participates in the State Foundation Program and the State Special Education Program. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. Other grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met.

Western Reserve Kindergarten Learning Academy

Mahoning County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the Academy. These reviews are conducted to ensure the Academy is reporting accurate enrollment data to the State, upon which State Foundation funding is calculated.

H. Estimates

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

I. Tax Exemption Status

The Academy is a non-profit organization that, in the opinion of legal counsel, is exempt from federal income taxes due to the Academy qualifying as an integral part of the Western Reserve Local School District.

Note 3 – Deposits and Investments

At June 30, 2010, the carrying amount of all Academy deposits was \$40. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2010, all of the Academy's bank balance of \$123,649 was covered by the Federal Deposit Insurance Corporation, meaning none was exposed to custodial risk, as discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the Academy's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Academy.

Note 4 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Balance 6/30/09	Additions	Reductions	Balance 6/30/10
<i>Capital assets being depreciated:</i>				
Furniture, fixtures and equipment	\$36,632	\$18,819	\$0	\$55,451
<i>Less Accumulated depreciation:</i>				
Furniture, fixtures and equipment	(3,663)	(5,541)	0	(9,204)
Capital assets being depreciated, net	<u>\$32,969</u>	<u>\$13,278</u>	<u>\$0</u>	<u>\$46,247</u>

Western Reserve Kindergarten Learning Academy
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 5 – Risk Management

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. For fiscal year 2010, professional liability is provided through the Ohio School Plan, under the Western Reserve Local School District's policy, with a \$4,000,000 annual aggregate/\$1,000,000 single occurrence limit and a \$2,500 deductible.

Note 6 – Purchased Services

For fiscal year ended June 30, 2010, purchased service expenses were as follows:

Professional and Technical Services	\$156,550
Classroom Related Fees	20,096
Other	661
Total	<u><u>\$177,307</u></u>

Note 7 – Service Agreement

Area Cooperative Computerized Educational Service System (ACCESS)

The Academy entered into a one-year agreement commencing on July 1, 2009 and ending June 30, 2010, with ACCESS for internet access, electronic mail and the Ohio Uniform School Accounting System (USAS). Separate and apart from this agreement, the Academy agrees to obtain at its own expense, the additional computer and electronic equipment necessary for receipt of these services at the Academy's facilities. Through its Sponsor, the Academy paid ACCESS a monthly service fee during fiscal year 2010.

Note 8 - Contingency – Grants

The Academy received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2010.

Note 9 – Change in Accounting Principles

For fiscal year 2010, the Academy has implemented Governmental Accounting Standards Board (GASB) Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 53 enhances the usefulness and comparability of derivative instrument information reported by state and local governments. This statement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instrument transactions. The implementation of GASB Statement No. 53 did not result in any changes to the Academy's financial statements.

Western Reserve Kindergarten Learning Academy

Mahoning County, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of GASB Statement No. 57 did not result in any changes to the Academy's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of GASB Statement No. 58 did not result in any changes to the Academy's financial statements.

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Dave Yost • Auditor of State

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

Western Reserve Kindergarten Learning Academy
Mahoning County
13850 W. Akron Canfield Road
Berlin Center, Ohio 44401

To the Board of Directors:

We have audited the financial statements of the Western Reserve Kindergarten Learning Academy, Mahoning County, (the Academy) as of and for the year ended June 30, 2010, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated March 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We intend this report solely for the information and use of management, the Board of Directors, and the Community School's sponsor. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

March 1, 2011



Dave Yost • Auditor of State

WESTERN RESERVE KINDERGARTEN LEARNING ACADEMY

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 14, 2011**