Lake Erie Academy
Lucas County

Financial Report

June 30, 2009

Mary Taylor, CPA
Auditor of State

Board of Directors
Lake Erie Academy
2740 W. Central Avenue
Toledo, Ohio 43606

We have reviewed the *Independent Auditor's Report* of the Lake Erie Academy, Lucas County, prepared by Plante & Moran, PLLC, 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 Lake Erie Academy is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 24, 2010

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Lake Erie Academy

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Plante & Moran, PLLC
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Lake Erie Academy

We have audited the accompanying basic financial statements of Lake Erie Academy as of and for the year ended June 30, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these basic 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the Academy as of June 30, 2009 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.

The management's discussion and analysis (identified in the table of contents) is not a required part of the basic financial statements, but is supplemental 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 supplemental information. We did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards,* we have also issued our report dated January 8, 2010 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, grants, 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.

Plante & Moran, PLLC

January 8, 2010

The management's discussion and analysis of Lake Erie Academy's financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2009. 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 notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

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

Financial Highlights

- In total, net assets increased $77,169, which represents a 56 percent increase from 2008. This was due primarily to a significant increase in revenue without a corresponding increase in operating expenses.

- Total assets increased $217,113, which represents a 64 percent increase from 2008. This was due primarily to an increase in cash and capital assets.

- Liabilities increased $139,944, which represents a 69 percent increase from 2008. This increase was due to an increase in contracts payable to the management company.

Using this Financial Report

This report consists of three parts, the MD&A, the basic financial statements, and notes to those statements. The basic financial statements include a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows.

Statement of Net Assets

The statement of net assets answers the question, "How did we do financially during 2009?" This statement includes all assets and liabilities, both financial and capital, and short term and long term, using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

Table 1 provides a summary of the Academy's net assets for fiscal years 2009 and 2008:

TABLE 1	June 30	
	2009	2008
Assets		
Current assets	$ 331,339	$ 211,545
Capital assets - Net	225,703	128,384
Total assets	557,042	339,929
Liabilities - Current liabilities	342,142	202,198
Net Assets		
Invested in capital assets	225,703	128,384
Unrestricted	(10,803)	9,347
Total net assets	**$ 214,900**	**$ 137,731**

Total assets increased $217,113. This was due primarily to an increase in cash and capital assets. Cash increased by $172,773 from 2008 to 2009. Intergovernmental receivables decreased by $60,432. This decrease was due to the timing of the receipt of funding. Capital assets, net of depreciation, increased by $97,319, due primarily to additional building improvements.

Table 2 shows the changes in net assets for fiscal years 2009 and 2008, as well as a listing of revenues and expenses.

TABLE 2	Year Ended June 30	
	2009	2008
Operating Revenues		
Foundation payments	$ 1,289,988	$ 960,744
Poverty Based Assistance	248,366	169,317
Other	55,265	2,830
Nonoperating Revenues		
Federal grants	722,331	611,683
State grants	9,333	10,570
Total revenues	2,325,283	1,755,144
Operating Expenses		
Salaries	627,637	498,088
Fringe benefits	228,041	159,020
Purchased services	952,504	700,302
Property taxes	6,627	6,616
Materials and supplies	68,720	43,155
Interest	3,462	4,212
Depreciation (unallocated)	51,763	92,268
Other expenses	9,273	6,022
Nonoperating Expenses		
Grant payments to other school districts	300,087	274,541
Federal and state taxes	-	948
Total expenses	2,248,114	1,785,172
Increase (Decrease) in Net Assets	**$ 77,169**	**$ (30,028)**

Net assets increased $77,169 from the prior year. This was due primarily to a significant increase in revenue without a corresponding increase in operating expenses. There was an increase in revenues of $570,139 and an increase in expenses of $462,942 from 2008 to 2009. Of the increase in revenues, the foundation payments increased by $329,244 and the Poverty Based Assistance increased by $79,049. Community schools receive no support from tax revenues.

The expense for salaries increased by $129,549 and the expense for fringe benefits increased by $69,021 from 2008 to 2009. This was due primarily to an increase in staff in fiscal year 2009. Purchased services increased by $252,202 from 2008 to 2009 due primarily to the lack of management fees in 2008. Materials and supplies expense increased by $25,565 from 2008 to 2009, and depreciation expense decreased by $40,505 from 2008 to 2009.

Capital Assets

At the end of fiscal year 2009, the Academy had $225,703 invested in leasehold improvements, library books, furniture, fixtures, and equipment (net of depreciation), which represents an increase of $97,319 from 2008 to 2009. Table 3 shows the capital assets (net of depreciation) for fiscal years 2009 and 2008:

TABLE 3	2009	2008
Leasehold improvements	$ 172,088	$ 65,088
Library books	6,680	11,678
Furniture, fixtures, and equipment	46,935	51,618
Total capital assets	**$ 225,703**	**$ 128,384**

For more information on capital assets, see Note 5 to the basic financial statements.

Current Financial Issues

Lake Erie Academy was formed in 2001 under a contract with the Ohio Council of Community Schools. During the 2008-2009 school year, there were 185 students enrolled in the Academy. The Academy receives most of its finances from state sources. Foundation payments (including Poverty Based Assistance) for fiscal year 2009 amounted to $1,538,354.

Contacting the School's Financial Management

This financial report is designed to provide our citizens with a general overview of the Academy's finances and to show the Academy's accountability for the funds it receives. If you have questions about this report or need additional information, contact Don Ash, fiscal officer of Lake Erie Academy, at 4660 S. Hagadorn Road, Suite 500, East Lansing, Michigan 48823 or by e-mail at don.ash@leonagroup.com.

Lake Erie Academy

Statement of Net Assets
June 30, 2009

Assets	
Current assets:	
Cash (Note 3)	$ 238,481
Intergovernmental receivables (Note 4)	64,929
Prepaid expenses	27,929
Total current assets	331,339
Noncurrent assets - Depreciable capital assets - Net (Note 5)	225,703
Total assets	557,042
Liabilities - Current	
Accounts payable	19,777
Intergovernmental payables (Note 4)	21,929
Contracts payable (Note 13)	300,436
Total liabilities	342,142
Net Assets	
Invested in capital assets	225,703
Unrestricted	(10,803)
Total net assets	**$ 214,900**

The Notes to Financial Statements are an
Integral Part of this Statement.

Statement of Revenues, Expenses, and Changes in Net Assets
Year Ended June 30, 2009

Operating Revenues	
Foundation payments	$ 1,289,988
Poverty Based Assistance	248,366
Other revenues	55,265
Total operating revenues	1,593,619
Operating Expenses	
Salaries	627,637
Fringe benefits	228,041
Purchased services (Note 10)	952,504
Property taxes	6,627
Materials and supplies	68,720
Depreciation (Note 5)	51,763
Other	9,273
Total operating expenses	1,944,565
Operating Loss	(350,946)
Nonoperating Revenues (Expenses)	
Federal grants	722,331
State grants	9,333
Grant payments to other school districts (Note 14)	(300,087)
Interest	(3,462)
Total nonoperating revenues	428,115
Change in Net Assets	77,169
Net Assets - Beginning of year	137,731
Net Assets - End of year	**$ 214,900**

The Notes to Financial Statements are an
Integral Part of this Statement.

Statement of Cash Flows
Year Ended June 30, 2009

Cash Flows from Operating Activities	
Received from foundation payments	$ 1,289,988
Received from Poverty Based Assistance	248,262
Received from other operating revenues	55,168
Payments to suppliers for goods and services	(844,879)
Payments to employees for services	(601,758)
Payments for employee benefits	(228,041)
Net cash used in operating activities	(81,260)
Cash Flows from Noncapital Financing Activities	
Proceeds from state aid note	200,000
Payments on state aid note	(225,000)
Interest expense	(3,462)
Federal grants received	722,331
Grant payments to other school districts	(300,087)
State grants received	9,333
Net cash provided by noncapital financing activities	403,115
Cash Flows from Capital and Related Financing Activities - Payments for capital acquisitions	(149,082)
Net Increase in Cash	172,773
Cash - Beginning of year	65,708
Cash - End of year	**$ 238,481**

Reconciliation of operating loss to net cash from operating activities:		
Operating loss	$	(350,946)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation		51,763
Changes in assets and liabilities:		
Decrease in intergovernmental receivables		60,432
Increase in prepaid expenses		(7,453)
Increase in deferred revenue		(97)
Decrease in accounts payable		(22,670)
Decrease in accrued interest payable		(104)
Decrease in intergovernmental payables		(48,136)
Increase in contracts payable		235,951
Total adjustments		269,686
Net cash used in operating activities	**$**	**(81,260)**

Note 1 - Description of the Academy and Reporting Entity

Lake Erie Academy, Lucas County (the "Academy") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of students in grades kindergarten through eighth. The Academy's mission is to provide an educational community that promotes educational achievement, involvement of parents, and positive social interactions. The Academy is committed to developing excellence on the part of students, teachers, and administrative staff. The Academy, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The Academy may acquire facilities as needed and contract for any services necessary for the operation of the Academy.

On July 1, 2002, the Academy was approved for operation under a contract with the Ohio Council of Community Schools (the "Sponsor") for a period of five years through June 30, 2007. The contract has since been extended for a period of seven years through June 30, 2014. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. The total sponsor fees paid to the Ohio Council of Community Schools for the fiscal year ended June 30, 2009 were approximately $46,000.

The Academy operates under the direction of a five-member board of directors, which is also the governing board for another The Leona Group, LLC-managed school. The board of directors 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 of directors controls the Academy's instructional/support facility staffed by nine certificated full-time teaching personnel who provide services to 185 students.

The governing board has entered into a management contract with The Leona Group, LLC (TLG), a for-profit limited liability company, for management services and operation of the Academy. TLG operates the Academy's instructional/support facility, is the employer of record for all personnel, and supervises and implements the curriculum. In exchange for its services, TLG receives a capitation fee (see Note 13).

Note 2 - Summary of Significant Accounting Policies

The financial statements of Lake Erie Academy 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. The Academy 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. The Academy has also elected to follow private sector guidance issued after November 30, 1989 for its business-type activities. The more significant of the Academy's accounting policies are described below.

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.

The Academy's basic financial statements consist of a statement of net assets, a statement of revenue, expenses, and changes in net assets, and a statement of cash flows.

Enterprise Fund reporting focuses on the determination of the change in net assets, financial position, and cash flows.

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. The statement of revenue, expenses, and changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its enterprise activities.

Note 2 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Academy's financial statements are prepared using the accrual basis of accounting.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the Academy receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements in which the 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.

Expenses are recognized at the time they are incurred.

Budgetary Process - Unlike other public schools located in the state of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the Academy and the Sponsor. The contract between the Academy and the Sponsor prescribes an annual budget requirement in addition to preparing a five-year forecast which is to be updated on an annual basis.

Intergovernmental Receivables - Receivables at June 30, 2009 consisted of intergovernmental receivables. All receivables are considered collectible in full and will be received within one year.

Prepaid Expenses - Payments made to vendors for services that will benefit periods beyond June 30, 2009 are recorded as prepaid expenses using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which the services are consumed.

Note 2 - Summary of Significant Accounting Policies (Continued)

Capital Assets - Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Academy maintains a capitalization threshold of $1,000 for furniture and equipment, land, and leasehold improvements or any one item costing under $1,000 alone but purchased in a group for over $2,500. Software costing more than $10,000 per application will also be capitalized. 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 charged to expense when incurred.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining term of the operating lease. Depreciation is computed using the straight-line method over the following useful lives:

Leasehold improvements	5 years
Library books	6 years
Furniture, fixtures, and equipment	3-7 years

Net Assets - Net assets represent the difference between assets and liabilities. Investments in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The Academy has no debt related to capital assets.

Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activities. For the Academy, these revenues are primarily foundation payments. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the Academy. Revenues and expenses not meeting this definition are reported as nonoperating.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 2 - Summary of Significant Accounting Policies (Continued)

Intergovernmental Revenues - The Academy currently participates in the State Foundation Program and the State Poverty Based Assistance (PBA) Program. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

Tax Status - The Academy is tax exempt under §501(c)(3) of the Internal Revenue Code.

Note 3 - Deposits

The Academy has designated one bank for the deposit of its funds.

The Academy's deposits consist solely of checking and/or savings accounts at a local bank; therefore, the Academy has not adopted a formal investment policy. The Academy's cash is subject to custodial credit risk.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it. The Academy's deposit policy requires that financial institutions be evaluated and only those with an acceptable risk level for custodial credit risk are used for the Academy's deposits; however, the Academy believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. In October 2008, the FDIC implemented the "Transaction Account Guarantee Program" fully guaranteeing noninterest and some interest-bearing checking account balances through December 31, 2009, regardless of the amount in the account. At June 30, 2009, the Academy's deposit balance of $245,126 had no bank deposits (checking and savings accounts) that were uninsured or uncollateralized.

Note 4 - Receivables

A summary of the principal items of intergovernmental receivables is as follows:

Title I	$ 32,351
Title II-A	2,113
Title IV	132
Title V	108
Federal Child Nutrition	66
Mentoring	30,159
Total intergovernmental receivables	64,929
Receivable on behalf of subrecipient academies	21,929
Academy's net intergovernmental receivables	$ 43,000

Note 5 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2009 is as follows:

	Balance June 30, 2008	Additions	Disposals	Balance June 30, 2009
Business-type Activity				
Capital assets being depreciated:				
Leasehold improvements	$ 393,473	$ 135,097	$ -	$ 528,570
Library books	30,000	-	-	30,000
Furniture, fixtures, and equipment	177,014	13,985	-	190,999
Total capital assets being depreciated	600,487	149,082	-	749,569
Less accumulated depreciation:				
Leasehold improvements	328,385	28,097	-	356,482
Library books	18,322	4,998	-	23,320
Furniture, fixtures, and equipment	125,396	18,668	-	144,064
Total accumulated depreciation	472,103	51,763	-	523,866
Total capital assets being depreciated - Net	$ 128,384	$ 97,319	$ -	$ 225,703

Note 6 - Risk Management

Property and Liability - 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 employees, and natural disasters. During fiscal year 2009, the Academy contracted with Philadelphia Indemnity Insurance Company for general liability, property insurance, and educational errors and omissions insurance. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. Coverages are as follows:

Educational errors and omissions:	
Per occurrence	$ 8,000,000
Total per year	8,000,000
General liability:	
Per occurrence	1,000,000
Total per year	2,000,000
Vehicle	1,000,000

Workers' Compensation - The Academy pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

Note 7 - Defined Benefit Pension Plans

School Employees' Retirement System

The Academy contributes to the School Employees' Retirement System (SERS), a cost-sharing, multiple-employer pension plan. SERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees' Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Note 7 - Defined Benefit Pension Plans (Continued)

Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute at an actuarially determined rate. The current Academy rate is 14 percent of annual covered payroll. A portion of the Academy's contribution is used to fund pension obligations with the remainder being used to fund healthcare benefits; for fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' retirement board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Academy's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008, and 2007 were $12,039, $11,798, and $12,684, respectively;100 percent for fiscal years 2009, 2008, and 2007.

State Teachers Retirement System

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

Note 7 - Defined Benefit Pension Plans (Continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years 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 of the DC Plan 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 Academy was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2008, 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 employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

Note 7 - Defined Benefit Pension Plans (Continued)

The Academy's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were $84,925, $63,228, and $71,455, respectively; 90 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were $71,777 made by the Academy and $51,268 made by the plan members.

Note 8 - Postemployment Benefits

School Employees' Retirement System

The Academy participates in two cost-sharing multiple-employer defined benefit OPEB plans administered by the School Employees' Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMOs, PPOs, 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 obligations to contribute are established by the system based on authority granted by state statute. The financial reports of both plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

State statute permits SERS to fund the healthcare benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the retirement board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401(h). For 2009, 4.16 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 2009, this amount was $5,509.

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

The Academy's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were $5,509, $5,384, and $5,377, respectively; 100 percent for fiscal years 2009, 2008, and 2007.

Note 8 - Postemployment Benefits (Continued)

The retirement board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The Academy's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were $993, $850, and $120, respectively; 100 percent for fiscal years 2009, 2008, and 2007.

State Teachers Retirement System

The Academy contributes to the cost-sharing, multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Ohio law authorizes STRS Ohio to offer the plan and gives the retirement board authority over how much, if any, of the healthcare costs will be absorbed by STRS Ohio. Active employee members do not contribute to the plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Academy's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were $6,533, $4,864, and $3,943, respectively; 90 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

Note 9 - Contingencies

Grants - The Academy 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 Academy. 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, 2009.

Note 9 - Contingencies (Continued)

State Funding - The Ohio Department of Education reviews enrollment data and full-time equivalency (FTE) calculations made by schools. These reviews ensure the schools are reporting accurate student enrollment data of the state, upon which state foundation funding is calculated. For fiscal year 2009, the results of this review are not concluded. However, in the opinion of management, any changes to enrollment data will not have a material adverse effect on the overall financial position of the Academy at June 30, 2009.

Property Taxes - The Academy has applied for an exemption from general property taxes. As of June 30, 2009, the exemption has not been granted; yet management believes that the exemption will be granted. Therefore, the Academy has not paid its general property taxes for fiscal years 2007, 2008, and 2009, which total approximately $554,000.

Note 10 - Purchased Service Expenses

For the year ended June 30, 2009, purchased service expenses were payments for services rendered by various vendors as follows:

Repairs and maintenance	$ 33,777
Legal	11,203
Insurance	19,176
Advertising	9,779
Dues and fees	6,226
Ohio Council of Community Schools	46,151
Cleaning services	4,295
Utility	103,173
Management fees (Note 13)	221,415
Other professional services	248,975
Rent (Note 11)	248,334
Total purchased services	$ 952,504

Note 11 - Operating Leases

The Academy has entered into a lease for the period from July 1, 2003 through July 15, 2009 with Lake Erie Villa, LLC for the use of the main building, gymnasium, and grounds as a school facility. The lease was subsequently extended through June 30, 2009. Lake Erie Villa, LLC is a related party, as disclosed in Note 12. Payments made totaled $240,000 for the fiscal year. Under the lease agreement, the Academy is responsible for paying all utilities and applicable property taxes.

The Academy rents its building from Lake Erie Villa, LLC, an affiliate of The Leona Group, LLC through common ownership. The Academy paid Lake Erie Villa, LLC $240,000 during fiscal year 2009.

Note 12 - Subsequent Events

Subsequent to year end, the Academy borrowed $125,000 at a variable annual interest rate equal to the prime rate, adjusted monthly, on a state aid note. The note, plus interest, is due June 30, 2010.

Subsequent to year end, the Academy's lease with Lake Erie Villa, LLC was extended through June 30, 2014 under the same terms and agreements as disclosed in Note 11 with annual payments due of $240,000.

Note 13 - Management Agreement

The Academy entered into a five-year contract, effective May 1, 2002 through June 30, 2007, with options for annual renewal with The Leona Group, LLC for educational management services for all of the management, operation, administration, and education at the Academy. The management agreement was renewed effective July 13, 2007 for a period of seven years to continue through June 30, 2014. In exchange for its services, The Leona Group, LLC receives a capitation fee of the difference between total audited revenues less total expenditures, which is adjusted further for capital asset activity. The Academy incurred management fees of $221,415 for the year ended June 30, 2009. At June 30, 2009, contracts payable includes approximately $79,000 for reimbursement of subcontracted employees and other operating costs and $221,415 for management fees. Terms of the contracts require The Leona Group, LLC to provide the following:

- Implementation and administration of the educational program

- Management of all personnel functions, including professional development

Note 13 - Management Agreement (Continued)

- Operation of the school building and the installation of technology integral to school design

- All aspects of the business administration of the Academy

- The provision of food service for the Academy

- Any other function necessary or expedient for the administration of the Academy

The Academy may terminate this agreement with cause prior to the end of the term in the event that The Leona Group, LLC should fail to remedy a material breach within a period reasonable under the circumstances, but not less than 60 days after notice from the Academy.

The Leona Group, LLC may terminate this agreement with cause prior to the end of the specified term in the event the Academy fails to remedy a material breach within a period reasonable under the circumstances, but not less than 60 days after notice from The Leona Group, LLC.

In the event this agreement is terminated by either party prior to the end of the specified term, the termination will not become effective until the end of the school year following the notice of termination and The Leona Group, LLC shall provide the Academy reasonable assistance for up to 90 days to assist in the transition to a regular school program.

For the year ended June 30, 2009, The Leona Group, LLC incurred the following expenses on behalf of the Academy:

Direct expenses:	
Salaries	$ 627,637
Fringe benefits	228,041
Professional and technical services	67,103
Other direct costs	17,080
Total expenses	$ 939,861

Note 14 - Fiscal Agent

The Academy serves as fiscal agent for the safe and drug-free schools - community service grants federal grant and the literacy and school libraries federal grant. As a fiscal agent, the Academy is responsible for drawing down federal funds and passing the funds to its subrecipients when expenditures are incurred. The amount of grant funds received by the Academy for the year ended June 30, 2009 was approximately $388,000. Of this amount, approximately $300,000 was passed to its subrecipients and approximately $88,000 was expended by the Academy on its own federal programs.

Lake Erie Academy

Federal Awards

Supplemental Information

June 30, 2009

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plante moran

Plante & Moran, PLLC
Suite 100
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Lake Erie Academy

We have audited the basic financial statements of Lake Erie Academy as of and for the year ended June 30, 2009 and have issued our report thereon dated January 8, 2010. Those basic financial statements are the responsibility of the management of Lake Erie Academy. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Lake Erie Academy taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

January 8, 2010

Plante & Moran, PLLC
Suite 100
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

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*

To the Board of Directors
Lake Erie Academy

We have audited the financial statements of Lake Erie Academy as of and for the year ended June 30, 2009 and have issued our report thereon dated January 8, 2010. 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 Lake Erie Academy'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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity'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 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.

To the Board of Directors
Lake Erie Academy

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake Erie Academy'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 management, the board of directors, others within the entity, 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.

Plante & Moran, PLLC

January 8, 2010

Plante & Moran, PLLC
Suite 100
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance with OMB Circular A-133

To the Board of Directors
Lake Erie Academy

Compliance

We have audited the compliance of Lake Erie Academy 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, 2009. The major federal programs of Lake Erie Academy 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 Lake Erie Academy's management. Our responsibility is to express an opinion on Lake Erie Academy'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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lake Erie Academy'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 on Lake Erie Academy's compliance with those requirements.

In our opinion, Lake Erie Academy 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, 2009.

To the Board of Directors
Lake Erie Academy

Internal Control Over Compliance

The management of Lake Erie Academy is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lake Erie Academy's internal control over compliance with 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, 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 entity's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program 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 material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 solely for the information and use of management, the board of directors, others within the entity, 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.

Plante & Moran, PLLC

January 8, 2010

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	Accrued (Deferred) Revenue at July 1, 2008	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2009
Clusters:							
Child Nutrition Cluster:							
U.S. Department of Agriculture - Passed through the							
Ohio Department of Education:							
National School Breakfast Program	10.553	$ 16,318	$ -	$ -	$ 16,318	$ 16,318	$ -
National School Lunch Program	10.555	67,140	-	-	67,140	67,140	-
Total Child Nutrition Cluster		83,458	-	-	83,458	83,458	-
Special Education Cluster:							
U.S. Department of Education - Passed through the							
Ohio Department of Education - IDEA:							
Special Education, Part B	84.027	39,042	11,396	-	50,438	39,042	-
Early Childhood Special Education	84.173	-	(97)	-	-	97	-
Total IDEA		39,042	11,299	-	50,438	39,139	-

See Notes to Schedule of Expenditures
of Federal Awards.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	Accrued (Deferred) Revenue at July 1, 2008	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2009
Clusters (Continued):							
Title I Cluster:							
U.S. Department of Education - Passed through the Ohio Department of Education:							
Title I, Part A	84.010	$ 168,979	$ 11,128	$ -	$ 140,701	$ 149,313	$ 19,740
Title I, School Improvement	84.010	60,000	-	-	37,659	50,269	12,610
Total Title I Cluster		228,979	11,128	-	178,360	199,582	32,350
Total Clusters		351,479	22,427	-	312,256	322,179	32,350
Other Federal Awards:							
U.S. Department of Education:							
Direct Programs:							
Safe and Drug-Free Schools and Communities	84.184B						
Award number: Q184B070383		328,196	21,744	-	290,516	298,931	30,159
Literacy & School Libaries Program -	84.364A						
Award number: S364A070324		282,303	80,671	-	169,886	89,215	-
Total Noncluster Direct Programs		610,499	102,415	-	460,402	388,146	30,159

See Notes to Schedule of Expenditures of Federal Awards.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	Accrued (Deferred) Revenue at July 1, 2008	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2009
Other Federal Awards (Continued):							
U.S. Department of Education (Continued):							
Passed through the Ohio Department of Education:							
Safe and Drug-Free Schools and Communities	84.186	$ 3,753	$ -	$ -	$ 3,621	$ 3,753	$ 132
Title V	84.298	166	421	-	436	122	107
Technology, Title II-D	84.318	2,542	-	-	966	966	-
Improving Teacher Quality	84.367	7,165	-	-	5,052	7,165	2,113
Total noncluster programs passed through the Ohio Department of Education		13,626	421	-	10,075	12,006	2,352
Total federal awards		**$ 975,604**	**$ 125,263**	**$ -**	**$ 782,733**	**$ 722,331**	**$ 64,861**

See Notes to Schedule of Expenditures of Federal Awards.

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lake Erie Academy and is presented on the same basis of accounting as the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Subrecipient Awards

Of the federal expenditures presented in the schedule, federal awards were provided to subrecipients as follows:

Federal Program Title	CFDA Number	Amount Provided to Subrecipients
Mentoring Program Grants -		
Passed through to:	84.184B	
Eagle Academy		$ 88,123
Paul Laurence Dunbar Academy		75,178
Toledo Preparatory Academy		62,217
Total provided to subrecipients		$ 225,518
Literacy and School Libraries		
Program Grants - Passed through to:	84.364A	
Eagle Academy		$ 15,150
George A. Philips Academy		17,191
Paul Laurence Dunbar Academy		42,228
Total provided to subrecipients		$ 74,569

Lake Erie Academy

Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over major program(s):

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ____ Yes __X__ No

Identification of major program(s):

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I Cluster
84.184B	Mentoring Program

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? ____ Yes __X__ No

Section II - Financial Statement Audit Findings

Reference Number	Findings
	None

Section III - Federal Program Audit Findings

Reference Number	Findings
	None

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2009

Finding Reference No.: 08-01

Current Status: The detail of expenses and accounts payable is reviewed at year end by the staff accountant to ensure proper period recording.

Finding Reference No.: 08-02

Current Status: The mentoring grant is reviewed by the staff accountant at year end to ensure that accounts receivable and intergovernmental payables reflect the proper accounting and classification of both accounts.

Finding Reference No.: 08-03

Current Status: The Academy has been granted nonprofit status under Section 501(c)(3).

Finding Reference No.: 08-04

Current Status: Proper documentation of time for employees charged to federal programs is being monitored by the grants department of The Leona Group and personnel activity reports are being prepared regularly.

Finding Reference No.: 08-05

Current Status: Only eligible students now receive Title I services from the Academy.

plante moran

Plante & Moran, PLLC
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

Independent Accountant's Report on
Applying Agreed-upon Procedures

Lake Erie Academy
Lucas County
2740 W. Central Ave.
Toledo, Ohio 43606

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 Lake Erie Academy (the "Academy") 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 12, 2009.

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 includes 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 and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

January 8, 2010

Mary Taylor, CPA
Auditor of State

LAKE ERIE ACADEMY

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
APRIL 6, 2010

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us