VICTORY ACADEMY OF TOLEDO

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

Dave Yost • Auditor of State

Governing Board
Victory Academy of Toledo
3319 Nebraska Avenue
Toledo, Ohio 43607

We have reviewed the *Independent Auditors' Report* of the Victory Academy of Toledo, Lucas County, prepared by Weber O'Brien Ltd., for the audit period July 1, 2009 through June 30, 2010. 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 Victory Academy of Toledo is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

July 1, 2011

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VICTORY ACADEMY OF TOLEDO

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Victory Academy of Toledo
Lucas County
3319 Nebraska Avenue
Toledo, Ohio 43607

We have audited the accompanying basic financial statements of the Victory Academy of Toledo, Lucas County ("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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2011, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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The Board of Directors
Victory Academy of Toledo
Lucas County

The management's discussion and analysis on pages 3 – 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Weber O'Brien Ltd

June 15, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Victory Academy of Toledo's (the Academy) financial performance provides an overall review of the 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 the Victory Academy of Toledo during fiscal year 2010 are as follows:

- Total net assets of the Academy decreased $9,094 in fiscal year 2010. Ending net assets of the Academy were $85,681 compared with $94,775 at June 30, 2009.
- Total assets increased $27,427 from the prior year and total liabilities increased by $36,521 from the prior year.
- The Academy's operating loss for fiscal year 2010 was $438,609 compared with an operating loss of $353,456 reported for the prior year. Total revenues increased by $67,542 while total expenses decreased by $6,501 over those reported for the prior year.

USING THIS ANNUAL FINANCIAL REPORT

This financial report contains the basic financial statements of the Academy, as well as the management's discussion and analysis and notes to the basic financial statements. The basic financial statements include a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. As the Academy reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity-wide and the fund presentation are the same.

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

The statement of net assets and the statement of revenues, expenses and changes in net assets answer the question, "How did we do financially during the fiscal year?" The statement of net assets includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the 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.

The statement of revenues, expenses and changes in net assets reports the changes in net 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 financials, some not.

These statements report the Academy's net assets; however, in evaluating the overall position and financial viability of the Academy, non-financial information such as the condition of the Academy's property and potential changes in laws governing charter schools in the State of Ohio will also need to be evaluated.

THE ACADEMY AS A WHOLE

Table 1 provides a summary of the Academy's net assets at June 30, 2010. A comparison is made to fiscal year 2009.

Table 1
Net Assets

	2010	2009
Assets:		
Current assets	$ 174,056	$ 83,578
Capital assets, net	33,467	96,518
Total Assets	207,523	180,096
Liabilities:		
Current liabilities	121,842	85,321
Net Assets:		
Invested in capital assets	33,467	96,518
Restricted	28,689	18,095
Unrestricted (deficit)	23,525	(19,838)
Total Net Assets	$ 85,681	$ 94,775

Total assets increased $27,427 from the prior year. The decrease in capital assets is partially offset by an increase in current assets, which is due to an increase in cash and cash equivalents. Cash and cash equivalents increased as a result of higher cash basis receipts received and lower cash disbursements paid during the fiscal year as compared to the prior year.

Total liabilities increased $36,521 from the prior year, which represents an increase of 43%. This increase is primarily due to an increase to intergovernmental payable in the amount of $57,440 as a result of the FTE reconciliation, which was partially offset by a decrease in compensated absences payable.

Table 2 shows the changes in net assets for the fiscal years ended June 30, 2010 and 2009.

Table 2
Change in Net Assets

	2010	2009
Operating revenues		
Foundation Payments	$638,218	$791,399
Special Education	93,169	28,981
Extracurricular Activities	4,620	7,203
Food Services	752	1,744
Classroom Fees	1,901	987
Non-Operating Revenues		
Federal Grants	423,558	258,406
State Grants	4,399	11,103
Interest	120	50
Other Non-operating Revenue	1,438	760
Total Revenues	1,168,175	1,100,633
Operating Expenses		
Salaries	546,265	464,323
Fringe Benefits	113,633	124,551
Purchased Services	337,900	346,081
Materials and Supplies	92,979	94,278
Depreciation	63,051	118,998
Other Operating Expenses	23,441	35,539
Total Expenses	1,177,269	1,183,770
Change in Net Assets	(9,094)	(83,137)
Net Assets, Beginning of Year	94,775	177,912
Net Assets, End of Year	$85,681	$94,775

Total revenues increased $67,542 from the prior year, which represents an increase of 6%. Foundation revenues decreased $153,181 due to a decrease in enrollment and the change on restrictions of the state funding. Extracurricular activities and food service also decreased due to a decrease in enrollment. Federal grants increased $165,152 due to the receipt of stimulus funding. Salaries increased due primarily increases in wages.

Capital Assets

At the end of fiscal year 2010, the Academy had $3,467 invested in furniture, fixtures and equipment. There were no purchases which met the Academy's capitalization threshold during the year. Table 3 shows balances at June 30, 2010, and a comparison to June 30, 2009:

Table 3
Capital Assets at June 30
(Net of Depreciation)

	2010	2009
Furniture, Fixtures, and Equipment	$3,467	$34,475
Leasehold Improvements	30,000	62,043
Totals	$33,467	$96,518

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

Debt

The Academy had no outstanding debt as of June 30, 2010.

Current Financial Issues

During the period July 1, 2009 to June 30, 2010, there were approximately 99 students enrolled in the Academy. The Academy receives its finances mostly from state aid. Per pupil aid for this period amounted to $5,718 per student.

Contacting the Academy's Financial Management

This financial report is designed to provide a general overview of the finances of the Victory Academy of Toledo and to show the Academy's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to the Treasurer of Victory Academy, 3319 Nebraska Avenue, Toledo, Ohio 43607-2819.

Victory Academy of Toledo
Statement of Net Assets
June 30, 2010

ASSETS:		
Current Assets:		
Cash and cash equivalents	$	143,315
Intergovernmental receivable		30,741
Total current assets		174,056
Noncurrent Assets:		
Depreciable capital assets, net		33,467
Total assets		207,523
LIABILITIES:		
Current Liabilities:		
Accounts payable		7,440
Accrued wages and benefits payable		41,503
Intergovernmental payable		72,899
Total liabilities		121,842
NET ASSETS:		
Invested in capital assets		33,467
Restricted for other purposes		28,689
Unrestricted		23,525
Total net assets	$	85,681

See accompanying notes to the basic financial statements.

Victory Academy of Toledo

Statement of Revenues, Expenses and Changes in Net Assets

For the Fiscal Year Ended June 30, 2010

OPERATING REVENUES:	
Foundation payments	$ 638,218
Special education	93,169
Extracurricular activities	4,620
Food services	752
Classroom fees	1,901
Total operating revenues	738,660
OPERATING EXPENSES:	
Salaries	546,265
Fringe benefits	113,633
Purchased services	337,900
Materials and supplies	92,979
Depreciation	63,051
Other operating expenses	23,441
Total operating expenses	1,177,269
Operating loss	(438,609)
NON-OPERATING REVENUES:	
Federal grants	423,558
State grants	4,399
Interest	120
Other revenue	1,438
Total non-operating revenues	429,515
Change in net assets	(9,094)
Net assets, beginning of year	94,775
Net assets, end of year	$ 85,681

See accompanying notes to the basic financial statements.

Victory Academy of Toledo
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from foundation payments	$	638,218
Cash received from special education		93,169
Cash received from extracurricular activities		4,620
Cash received from food services		752
Cash received from classroom fees		1,901
Cash payments to suppliers for goods and services		(438,068)
Cash payments to employees for services and benefits		(616,188)
Cash payments for other operating disbursements		(23,441)
Net cash used for operating activities		(339,037)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Federal grants received		426,494
Other non-operating receipts		1,438
State grants received		2,961
Net cash provided by noncapital financing activities		430,893
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest		120
NET INCREASE IN CASH AND CASH EQUIVALENTS		91,976
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		51,339
CASH AND CASH EQUIVALENTS, END OF YEAR	$	143,315

RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Operating Loss	$	(438,609)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Depreciation		63,051
Changes in assets and liabilities:		
Decrease in accounts payable		(7,189)
Increase in accrued wages and benefits payable		7,525
Increase in intergovernmental payable		57,440
Decrease in compensated absences payable		(21,255)
Total adjustments		99,572
Net cash used for operating activities	$	(339,037)

See accompanying notes to the basic financial statements.

NOTE 1 – DESCRIPTION OF THE ACADEMY AND REPORTING ENTITY

Victory Academy of Toledo (the Academy) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Academy's mission is to provide students in Kindergarten through grade 8 an individualized, standards-based education that uses students' emerging interests and needs, in an interactive, hands-on, life based approach to the teaching lessons process and thus develop self-regulated learners who love to learn. The Academy, which is part of the State's education program, is independent of any school district and is non sectarian in its programs, admission policies, employment practices, and all other operations. The Academy may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy.

The Academy was approved for operation under a contract with the Lucas County Educational Service Center (the Sponsor) for an additional one year term commencing July 1, 2010 and ending June 30, 2011. 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 Academy operates under the direction of a Governing Board (the Board). The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The Governing Board controls the Academy's instructional/support facility staffed by 11 non-certified and 15 certificated teaching personnel who provide services to 99 students.

Beginning July 1, 2008, the Academy entered into a service agreement with Mangen & Associates to provide certain financial and accounting services, including performing all duties required of the Treasurer of the Academy (Note 12).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Academy have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to a governmental nonprofit organization. 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 prior to November 30, 1989, to its proprietary activities, provided they do not conflict with or contradict GASB pronouncements. The Academy had the option to also apply FASB Statements and Interpretations issued after November 30, 1989, subject to these same limitations. The Academy has elected not to apply FASB Statements and Interpretations issued after November 30, 1989. The more significant of the Academy's accounting policies are described below.

Basis of Presentation

The Academy's basic financial statements consist of a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. Enterprise fund reporting focuses on the determination of the change in net assets, financial position, and cash flows.

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 revenues, expenses and changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net 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.

Non-exchange 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 permitted; matching requirements, in which the Academy must provide local resources to be used for a specific 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 Rev. Code Section 5705, unless specifically provided in the Academy's contract with its Sponsor. The contract between the Academy and its Sponsor does prescribe an annual budget requirement in addition to preparing a five-year forecast which is to be updated on an annual basis, per Ohio Revised Code Chapter 5705.391(A).

Cash and cash equivalents

All monies received by the Academy are accounted for by the Academy's fiscal agent, Mangen & Associates. All cash received by the fiscal agent is maintained in separate bank accounts in the Academy's name. Monies for the Academy are maintained in these accounts or temporarily used to purchase short-term investments.

For the purposes of the statement of cash flows and for the presentation of the statement of net assets, investments with original maturities of three months or less at the time they are purchased by the Academy are considered to be cash equivalents.

For the year ended June 30, 2010, the Academy had only deposits.

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 value as of the date received. The Academy does not possess any infrastructure. The Academy does maintain a capitalization threshold of $1,500. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All reported capital assets are depreciated. Improvements to capital assets are depreciated over the meaningful useful life of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Furniture, Fixtures, and Equipment	5 years
Leasehold Improvements	Life of the lease

Estimates

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

Intergovernmental revenues

The Academy currently participates in the State Foundation Basic Aid and Special Education Programs. The foundation funding is recognized as operating revenues in the accounting period in which they are earned, essentially the same as the fiscal year. Federal and state grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements of the grants have been met.

Intergovernmental revenues associated with the Foundation Program totaled $638,218 and those associated with special education grants from the state and federal governments totaled $93,169 during fiscal year 2010.

Operating and non-operating revenues and expenses

Operating revenues are those revenues that are generated directly by the Academy's primary mission. For the Academy, operating revenues include revenues paid through the State Foundation program. Operating expenses are necessary costs incurred to support the Academy's primary activities, including salaries, benefits, purchased services, materials and supplies and depreciation.

Non-operating revenues and expenses are those that are not generated directly by the Academy's primary activities. Various state and federal grants, interest earnings, if any, and payments made to the Academy by other instructional entities for use of the Academy's instructional staff comprise the non-operating revenues of the Academy. The Academy had no non-operating expenses for the fiscal year.

Accrued Liabilities Payable

The Academy has recognized certain liabilities on its statement of net assets relating to expenses, which are due but unpaid as of June 30, 2010 including:

Accrued wages and benefits payable – salary payments made after year-end to instructional and support staff for services rendered prior to the end of June, but whose payroll continues into the summer months based on the fiscal year 2010 contract. A liability has also been recognized for health care payments made after year end for payroll services earned as of June 30, 2010.

Intergovernmental payable – payment for the employer's share of the retirement contribution, Medicare and Workers' Compensation associated with services rendered during fiscal year 2010 that were paid in the subsequent fiscal year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Tax Exemption Status

The Academy is a non-profit organization that has been determined by the Internal Revenue Service to be exempt from federal income taxes as a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy's tax-exempt status.

Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consists of capital assets net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Academy applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Restricted net assets of the Academy at year-end represent unspent federal and state grant resources for specific instructional and operational programs. None of the Academy's restricted net assets are restricted by enabling legislation.

NOTE 3 – DEPOSITS

Custodial credit risk for deposits is the risk that in the event of bank failure, the Academy will not be able to recover the deposits.

At June 30, 2010, the carrying amount of the Academy's deposits was $143,315 and the bank balance was $177,698. Of the bank deposits, $177,698 was collateralized under FDIC insurance; no amounts were uncollateralized or uninsured. Although all statutory requirements for the deposit of public money had been followed, non-compliance with federal requirements could potentially subject the Academy to a successful claim by the FDIC.

NOTE 4 – INTERGOVERNMENTAL RECEIVABLES

Receivables at June 30, 2010, consisted of intergovernmental receivables arising from grants and entitlements and a SERS Reimbursement. All receivables are considered collectible in full. A summary of the intergovernmental receivables follows:

Intergovernmental Receivables	Amount
Federal Grants:	
Title I	$18,657
Title IV-A	621
Title VI-B	9,739
Title II-D	286
SERS Reimbursement	1,438
Total Receivables	$30,741

NOTE 5 – CAPITAL ASSETS

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

	Balance 6/30/2009	Additions	Deletions	Balance 6/30/2010
Capital Assets:				
Furniture, Fixtures, and Equipment	$162,358	$0	$0	$162,358
Leasehold improvements	325,700	0	0	325,700
Total Capital Assets	488,058	0	0	488,058
Less: Accumulated Depreciation				
Furniture, Fixtures, and Equipment	(127,883)	(31,008)	0	(158,891)
Leasehold improvements	(263,657)	(32,043)	0	(295,700)
Total Accumulated Depreciation	(391,540)	(63,051)	0	(454,591)
Total Capital Assets Being Depreciated, Net	$96,518	($63,051)	$0	$33,467

NOTE 6 – OPERATING LEASES

The Academy signed an operating lease, and amendments, for the period February 1, 2005, through June 1, 2011, with St. James Holiness Church of God in Christ to lease a school facility. The lease is cancelable at the option of the Academy. Payments made totaled $88,100 for the fiscal year ended June 30, 2010.

The Academy signed an operating lease for 60 months effective May 2007 with Bank of America Leasing for the use of a copier. Payments made totaled $2,962 for the fiscal year ended June 30, 2010. The Academy signed an additional lease for a second copier for 60 months effective January 2008 with Bank of America Leasing. Payments made totaled $1,020 for the fiscal year ended June 30, 2010.

NOTE 6 – OPERATING LEASES (Continued)

The following is a schedule of the future minimum payments required under the non-cancelable operating leases as of June 30, 2010:

Year Ended June 30:	Copier Lease #1	Copier Lease #2	Total
2011	$2,962	$1,020	$3,982
2012	2,221	1,020	3,241
2013	0	510	510
Total	$5,183	$2,550	$7,733

The minimum rental payments owed on the contracts mentioned above are not expected to change during the terms of those contracts.

NOTE 7 – DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The Academy contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website, at www.ohsers.org, under *Employers/Audit Resources.*

Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year 2010, the allocation to pension and death benefits is 12.78 percent. The remaining 1.22 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The Academy's contributions to SERS for the fiscal years ended June 30, 2010, 2009, and 2008 were $6,941, $20,768, and $19,386, respectively; equal to 100 percent for the fiscal years 2010, 2009, and 2008.

State Teachers Retirement System

State Teachers Retirement System of Ohio (STRS Ohio) is a cost-sharing, multiple-employer public employee retirement system.

STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Options – New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. 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. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of $1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to $2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

For the fiscal years ended June 30, 2010, 2009, and 2008, plan members were required to contribute 10 percent of their annual covered salaries. The Academy was required to contribute 14 percent. The portion allocated to fund pension obligations was 13 percent for the fiscal years ended June 30, 2010, 2009, and 2008. The Academy's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 were $37,529, $48,115, and $42,733, respectively; equal to 100% for the fiscal years 2010, 2009, and 2008.

STRS Ohio issues a stand-alone financial report. Additional information or copies of STRS Ohio's Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2010, there were five members participating in Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 8 – POST-EMPLOYMENT BENEFITS

State Teachers Retirement System

STRS Ohio administers a pension plan that is comprised of: a defined benefit plan; a self-directed defined contribution plan; and a combined plan, which is a hybrid of the defined benefit and defined contribution plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to Section 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll free (888) 227-7877.

NOTE 8 – POST-EMPLOYMENT BENEFITS (Continued)

All STRS benefit recipients and sponsored dependents are eligible for healthcare coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2010, 2009, and 2008. For the Academy, these amounts equaled $2,887, $3,701, and $3,287 for fiscal years 2010, 2009, and 2008, respectively.

School Employees Retirement System

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two post-employment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2010 was $96.40 for most participants, but could be as high as $353.60 per month depending on their income. SERS' reimbursement to retirees was $45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2010, 2009, and 2008, the actuarially required allocations were 0.76 percent, 0.75 percent, and 0.66 percent, respectively. For the Academy, contributions for the fiscal years ended June 30, 2010, 2009, and 2008 were $358, $1,714, and $1,397, respectively, which equaled the required contributions for those years.

Health Care Plan

Ohio Revised Code 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefit plans. The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2010, 2009, and 2008, the health care allocations were .46 percent, 4.16 percent, and 4.18 percent, respectively. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the minimum compensation level was established at $35,800. The surcharge added to the unallocated portion of the 14 percent employer contribution rate is the total assigned to the Health Care Fund. For the Academy, the amounts contributed to fund health care benefits, including the surcharge, during the 2010, 2009, and 2008 fiscal years equaled $2,270, $9,504, and $8,847, respectively.

NOTE 8 – POST-EMPLOYMENT BENEFITS (Continued)

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

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

NOTE 9 – RESTRICTED NET ASSETS

At June 30, 2010, the Academy reported restricted net assets totaling $28,689. The nature of the net asset restrictions are as follows:

Federal specific educational program grants	$22,766
Other (lunchroom program)	5,923
Total	$28,689

NOTE 10 – 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. For the year ended June 30, 2010, the Academy contracted with Ohio Casualty for its insurance coverage as follows:

Commercial General Liability per occurrence	$1,000,000
Commercial General Liability aggregate	2,000,000
Commercial General Liability Personal and Advertising Injury	1,000,000
Employee Benefit Liability per occurrence	1,000,000
Employee Benefit Liability aggregate	3,000,000
Products/Completed Operations aggregate	2,000,000
Fire Damage	300,000
Real and Personal Property	260,000
Commercial Computer Coverage	130,000
Medical Expenses (any one person)	15,000

There was no significant reduction in coverage from the prior year. Settlement amounts have not exceeded coverage amounts in any of the past three years.

The Academy owns no property, but leases a facility located at 3319 Nebraska Avenue, Toledo, Ohio (See Note 6).

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 determined by the State.

NOTE 11 – CONTINGENCIES

Grants

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts, which may be disallowed, if any, are not presently determinable. However, in the opinion of the Academy, any such disallowed claims will not have a material adverse effect on the financial position of the Academy at June 30, 2010.

State Funding

The Ohio Department of Education conducts reviews of enrollment data and FTE calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The Ohio Department of Education has conducted its review subsequent to year end and the resulting adjustment in the amount of $58,518 is recorded as an intergovernmental payable within the financial statements.

NOTE 12 – FISCAL AGENT

Beginning July 1, 2008, the Academy is a party to a fiscal services agreement with Mangen & Associates (M&A) LLC, which is an education finance consulting company. The Agreement's term is for a twelve month period beginning July 1st and may be terminated by either party, with or without cause, by giving the other party ninety days written notice to terminate. The Agreement provides that M&A will perform treasurer and financial support services. Payments totaling $69,902 were paid during the year. No liability was accrued as of June 30, 2010.

M&A shall perform all of the following functions while serving as the Treasurer of the Academy:

- Maintain custody of all funds received by the Academy in segregated accounts separate from any other community school's funds;
- Maintain all books and accounts of all funds of the Academy;
- Maintain all financial records of the Academy and follow procedures for receiving and expending state funds, which procedures shall include that the Treasurer shall disburse money only upon receipt of a voucher signed by the Chief Administrative Officer of the Academy or that Officer's designee;
- Assist the Academy in meeting all financial reporting requirements established by the Ohio Auditor of State;
- Invest funds of the Academy in a manner consistent with the Academy's investment policy and the Ohio Revised Code, but the Treasurer shall not commingle the funds with the funds of any other community school; and
- Pay obligations incurred by the Academy within a reasonable amount of time, not more than 14 calendar days after receipt of a properly executed voucher signed by the Chief Administrative Officer of the Academy, so long as the proposed expenditure is within the approved budget and funds are available.

The Academy and M&A extended their agreement for M&A to provide fiscal services through June 30, 2010.

NOTE 13 – PURCHASED SERVICES

For the fiscal year ended June 30, 2010, purchased service expenses, payments for services rendered by various vendors, are as follows:

Professional and Technical Services	$215,306
Property Services	94,623
Travel Mileage/Meeting Expense	16,882
Communications	3,619
Pupil Transportation Services	5,340
Other Purchased Services	2,130
Total Purchased Services	$337,900

NOTE 14 – SUBSEQUENT EVENT

Beginning July 1, 2010, the Academy entered into a fiscal agent agreement with Constellation Schools for the purposes of management and related services.

NOTE 15 – CHANGES IN ACCOUNTING PRINCIPLES

For 2010, the Academy has implemented Governmental Accounting Standard Boards (GASB) Statement No. 51, "Accounting and Financial Reporting for Intangible Assets," 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. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any material change to the Academy's basic financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the Academy's basic financial statements.

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 this statement did not result in any change in the Academy's basic 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 this statement did not result in any change in the Academy's basic financial statements.

INDEPENDENT AUDITORS' 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

Board of Directors
Victory Academy of Toledo
Lucas County
3319 Nebraska Avenue
Toledo, OH 43607

We have audited the accompanying basic financial statements of the Victory Academy of Toledo, Lucas County ("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 and have issued our report thereon dated June 15, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 Academy's internal control over financial reporting. Accordingly, we do not express an opinion 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, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of 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 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 to be material weaknesses, as defined above. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We identified the following deficiency in internal control that we consider to be a significant deficiency.

Board of Directors
Victory Academy of Toledo

Significant Deficiency

Capital Asset Records

During our audit, we noted that the Academy has a capital asset policy, but does not follow the policy and does not maintain capital asset records. While a large portion of the recorded property and equipment is fully depreciated, lack of detailed capital asset records precludes maintaining accurate records when assets are sold or disposed of. Additionally, lack of detailed capital asset records could allow capital assets to be misappropriated and not detected.

We recommend that the Academy follow their capital asset policy and maintain detailed capital asset records and reconcile these records to the general ledger on a regular basis. Specifically, capital asset records should include the following data as noted in the Academy's policy:

- Description of the asset
- Asset classification
- Cost, voucher number and vendor name
- Date placed in service
- Depreciation method
- Depreciation expense and accumulated depreciation for the year
- Date asset retired and selling price if applicable

Management's Response: Management of the Academy will maintain detailed capital asset records for all assets acquired after June 30, 2010.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

We noted certain matters that we reported to the management of the Victory Academy of Toledo in a separate letter dated June 15, 2011.

Board of Directors
Victory Academy of Toledo

The Victory Academy of Toledo's written response to the significant deficiency identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Weber O'Brien Ltd

June 15, 2011

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2010

Significant Deficiency: The Academy did not maintain capital asset records.

Current Status: Not Corrected. It has been repeated in the current year report.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Victory Academy of Toledo
3319 Nebraska Avenue
Toledo, OH 43607

To the Board of Directors:

Ohio Revised 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 Victory Academy of Toledo has adopted an anti-harassment policy in accordance with Ohio Revised 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 June 12, 2006.

2. We read the policy, noting it included the following requirements from Ohio Revised 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;

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(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;

3. We noted that the current policy does not include the following requirement from Ohio Revised Code Section 3313.666 (B):

    1) A requirement that the community school 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 community school 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.

Wilson O'Brien Ltd

June 15, 2011

VICTORY ACADEMY OF TOLEDO

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
JULY 14, 2011

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