Eagle Academy
Lucas County

Financial Report
June 30, 2011

Dave Yost • Auditor of State

Board of Directors
Eagle Academy
2014 Consaul Street
Toledo, Ohio 43605

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

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

Dave Yost
Auditor of State

February 23, 2012

88 East Broad Street, Fifth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www. ohioauditor.gov

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Eagle Academy

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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
Eagle Academy

We have audited the accompanying basic financial statements of Eagle Academy (the "Academy") as of and for the year ended June 30, 2011 as listed in the table of contents. These basic financial statements are the responsibility of the Academy's management. Our responsibility is to express opinions 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, 2011 and the changes in financial position and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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. However, 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 November 7, 2011 on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 opinions on 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 read in conjunction with this report in considering the results of our audit.

Plante & Moran, PLLC

November 7, 2011

The management's discussion and analysis of Eagle Academy's (the "Academy") financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2011. 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 Standards 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 $114,692, which represents a 65 percent increase in the net assets from 2010.

- Total assets increased $71,166, which represents a 13 percent increase from 2010. This was due primarily to an increase in cash and deposits made for rent in 2012.

- Liabilities decreased $43,526, which represents an 11 percent decrease from 2010. This decrease was due to a decrease in trade accounts payable.

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 revenue, 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 2011?" 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 revenue 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 2011 and 2010:

Table 1	Governmental Activities	
	June 30, 2011	June 30, 2010
Assets		
Current assets	$ 527,305	$ 440,868
Capital assets - Net	90,264	119,135
Noncurrent assets	13,600	-
Total assets	631,169	560,003
Liabilities		
Current liabilities	325,051	383,711
Noncurrent liabilities	15,134	-
Total liabilities	340,185	383,711
Net Assets		
Invested in capital assets	90,264	119,135
Unrestricted	200,720	57,157
Total net assets	**$ 290,984**	**$ 176,292**

Total assets increased $71,166. This was due primarily to an increase in cash. Cash increased by $120,785.

Table 2 shows the changes in net assets for fiscal years 2011 and 2010, as well as a listing of revenue and expenses.

Table 2	Governmental Activities	
	Year Ended	
	June 30, 2011	June 30, 2010
Operating Revenue		
Foundation payments	$ 1,758,848	$ 1,438,845
Poverty-based assistance	359,048	262,802
Federal grants	180,380	114,376
Other	21,952	1,545
Nonoperating Revenue		
Federal grants	631,918	540,773
State grants	8,314	7,374
Total revenue	2,960,460	2,365,715
Operating Expenses		
Salaries	1,115,725	792,829
Fringe benefits	450,265	336,987
Purchased services	1,116,566	984,222
Materials and supplies	106,590	94,889
Depreciation (unallocated)	38,470	29,487
Other expenses	18,152	3,224
Total expenses	2,845,768	2,241,638
Increase in Net Assets	**$ 114,692**	**$ 124,077**

Net assets increased $114,692. There was an increase in revenue of $594,745 and an increase in expenses of $604,130 from 2010. Of the increase in revenue, the federal grants increased by $157,149. Community schools receive no support from tax revenue. The expense for salaries and benefits increased $436,174. Purchased services increased $132,344. Materials and supplies expense increased $11,701 from 2010.

Capital Assets

At the end of fiscal year 2011, the Academy had $90,264 invested in furniture, fixtures, and equipment (net of depreciation), which represents a decrease of $28,871 from 2010. Table 3 shows capital assets (net of depreciation) for fiscal years 2011 and 2010:

Table 3

	June 30, 2011	June 30, 2010
Furniture, fixtures, and equipment	**$ 90,264**	**$ 119,135**

There are major capital expenditures planned for the 2011-2012 fiscal year to furnish and equip the new leased building for the opening of the Academy's secondary campus in the fall of 2011, expected to cost approximately $200,000. For more information on capital assets, see Note 5 to the basic financial statements.

Current Financial Issues and Economic Factors

Eagle Academy was formed in 2001 under a contract with the Ohio Council of Community Schools. During the 2010-2011 school year, there were 257 students enrolled in the Academy. The Academy receives its finances mostly from state aid. Foundation payments (including poverty-based assistance) for fiscal year 2011 totaled $2,117,896.

The state foundation revenue is determined based on the student count and the foundation allowance per pupil. Approximately 72 percent of revenue is from the foundation allowance. As a result, Academy funding is heavily dependent on the State's ability to fund local school operations. Since the Academy's revenue is heavily dependent on State funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue. The impact on the Academy of the State's projected revenue is not known.

Contacting the Academy'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 Eagle Academy, at 4660 S. Hagadorn Road, Suite 500, East Lansing, Michigan 48823 or by email at don.ash@leonagroup.com.

Eagle Academy

Statement of Net Assets
June 30, 2011

Assets		
Current assets:		
Cash (Note 3)	$	401,579
Accounts receivable		9,232
Intergovernmental receivable (Note 4)		97,914
Prepaid expenses		18,580
Total current assets		527,305
Noncurrent assets:		
Depreciable capital assets - Net (Note 5)		90,264
Other assets (Note 11)		13,600
Total noncurrent assets		103,864
Total assets		631,169
Liabilities - Current liabilities		
Accounts payable		49,439
Contracts payable (Note 12)		275,612
Total current liabilities		325,051
Noncurrent liabilities - Accrued rent (Note 11)		15,134
Total liabilities		340,185
Net Assets		
Invested in capital assets		90,264
Unrestricted		200,720
Total net assets	**$**	**290,984**

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

Eagle Academy

Statement of Revenue, Expenses, and Changes in Net Assets
Year Ended June 30, 2011

Operating Revenue	
Foundation payments	$ 1,758,848
Poverty-based assistance	359,048
Federal grants - Unrestricted	180,380
Charges for services	259
Other revenue	21,693
Total operating revenue	2,320,228
Operating Expenses	
Salaries	1,115,725
Fringe benefits	450,265
Purchased services (Note 10)	1,116,566
Materials and supplies	106,590
Depreciation	38,470
Other	18,152
Total operating expenses	2,845,768
Operating Loss	(525,540)
Nonoperating Revenue	
Federal grants	631,918
State grants	8,314
Total nonoperating revenue	640,232
Change in Net Assets	114,692
Net Assets - Beginning of year	176,292
Net Assets - End of year	**$ 290,984**

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

Eagle Academy

Statement of Cash Flows
Year Ended June 30, 2011

Cash Flows from Operating Activities	
Received from foundation payments	$ 1,786,821
Received from poverty-based assistance	359,048
Received from federal grants	180,380
Received from other operating revenue	14,727
Payments to suppliers for goods and services	(1,294,748)
Payments to employees for services	(1,100,945)
Payments for employee benefits	(450,265)
Net cash used in operating activities	(504,982)
Cash Flows from Noncapital Financing Activities	
Payments of rent	(4,866)
Federal grants received	631,918
State grants received	8,314
Net cash provided by noncapital financing activities	635,366
Cash Flows from Investing Activities - Purchase of property and equipment	(9,599)
Net Increase in Cash	120,785
Cash - Beginning of year	280,794
Cash - End of year	**$ 401,579**

Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$	(525,540)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation		38,470
Changes in assets and liabilities:		
Increase in prepaid expenses		(8,620)
Decrease in receivables		42,968
Increase in noncurrent assets		(13,600)
Decrease in accounts payable		(32,963)
Decrease in contracts payable		(5,697)
Total adjustments		20,558
Net cash used in operating activities	**$**	**(504,982)**

Note 1 - Description of the Academy and Reporting Entity

Eagle Academy (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 fifth. The Academy's mission is to provide an atmosphere where students will develop a thirst for learning, creative expression, and awareness of new horizons. As a family of learners, students and staff exhibit depth of understanding, acceptance of others, personal integrity and responsibility, and a willingness to exercise leadership in their educational and social interactions. Staff, students, and their families are committed to facing the challenges of the new century, believing that there is no problem too complex nor goal too lofty that cannot be mastered. 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 August 20, 2001, the Academy was approved for operation under contract with the Ohio Council of Community Schools (the "Sponsor") for a period of five years through June 30, 2006. The contract has since been extended for a period of five years through June 30, 2012. 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, 2011 were approximately $64,000.

The Academy operates under the direction of a five-member board of directors, which is also the governing board for one other 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 eight certified full-time teaching personnel who provide services to 257 students.

The governing board has entered into a management contract with The Leona Group, LLC (TLG), a for-profit limited liability corporation, 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 and year-end fee (see Note 12).

Note 2 - Summary of Significant Accounting Policies

The financial statements of Eagle 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 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 whereby 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 whereby it has been decided that periodic determination of revenue 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., revenue) 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.

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.

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

Accounts Receivable - Receivables at June 30, 2011 consisted of intergovernmental receivables and immaterial miscellaneous 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, 2011 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 services are consumed.

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, equipment, land, and leasehold improvements, or any one item costing under $1,000 alone but purchased in a group for over $2,500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are charged to expense when incurred.

Note 2 - Summary of Significant Accounting Policies (Continued)

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:

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 Revenue and Expenses - Operating revenue is that revenue that is generated directly from the primary activities. For the Academy, this revenue is primarily foundation payments and federal stabilization funds received in lieu of foundation payments. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the Academy. Revenue 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.

Intergovernmental Revenue - The Academy currently participates in the State Foundation Program and the Poverty Based Assistance (PBA) Program. Revenue received from these programs is recognized as operating revenue 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 a checking account 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 risk are used for the Academy's deposits. At year end, the Academy had $426,537 in deposits which was fully insured and collateralized. The Academy believes that due to the dollar amounts of cash deposits and limits of FDIC insurance, it is sometimes impractical to insure all deposits. As a result, the Academy evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Note 4 - Intergovernmental Receivables

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

Title I	$ 59,278
Title II - A	1,520
Race to the Top	15,043
NSLP	22,073
Total intergovernmental receivables	$ 97,914

Note 5 - Capital Assets

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

	Balance June 30, 2010	Additions	Disposals	Balance June 30, 2011
Business-type activity - Capital assets being depreciated - Furniture, fixtures, and equipment	$ 241,056	$ 9,599	$ (18,658)	$ 231,997
Less accumulated depreciation	121,921	38,470	(18,658)	141,733
Total capital assets being depreciated - Net	$ 119,135	$ (28,871)	$ -	$ 90,264

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 2011, the Academy contracted with Indiana Insurance for general liability, property insurance, and school leader errors and omissions insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. Coverages are as follows:

School leaders errors and omissions:	
Per occurrence	$ 1,000,000
Total per year	2,000,000
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

Plan Description - 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 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)

Funding Policy - 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 2011, 11.81 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, 2011, 2010, and 2009 were $35,801, $23,228, and $15,941, respectively; 84 percent was contributed for fiscal year 2011 and 100 percent was contributed for fiscal years 2010 and 2009.

State Teachers Retirement System

Plan Description - 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 website at www.strsoh.org.

New members have a choice of three retirement plans: a defined benefit plan (DBP), a defined contribution plan (DCP), and a combined plan (CP). The DBP offers an annual retirement allowance based on final average salary 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 DCP allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. The CP offers features of both the DCP and the DBP. In the CP, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DBP. The DBP portion of the CP payment is payable to a member on or after age 60; the DCP 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.

Note 7 - Defined Benefit Pension Plans (Continued)

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

Funding Policy - For the fiscal year ended June 30, 2011, 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. 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.

The Academy's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were $97,339, $80,717, and $47,602, respectively; 90 percent has been contributed for fiscal year 2011, 39 percent for fiscal year 2010, and 15 percent for fiscal year 2009. Contributions to the DCP and CP for fiscal year 2011 were $104,827 made by the Academy and $74,876 made by the plan members.

Note 8 - Postemployment Benefits

School Employees' Retirement System

Plan Description - The Academy participates in two cost-sharing multiple-employer defined benefit OPEB plans administered by the School Employees' Retirement System for classified retirees and their beneficiaries, the healthcare plan and a Medicare Part B plan. The healthcare 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.

Note 8 - Postemployment Benefits (Continued)

Funding Policy - 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 fiscal year 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount.

Active employee members do not contribute to the Health Care Fund. 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, 2011, 2010, and 2009 were $4,335, $836, and $6,057, respectively; 84 percent has been contributed for fiscal year 2011 and 100 percent has been contributed for fiscal years 2010 and 2009.

The retirement board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2011, this actuarially required allocation was 0.76 percent of covered payroll. The Academy's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were $2,304, $1,381, and $1,092, respectively; 84 percent has been contributed for fiscal year 2011 and 100 percent has been contributed for fiscal years 2010 and 2009.

State Teachers Retirement System

Plan Description - 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.

Note 8 - Postemployment Benefits (Continued)

Funding Policy - 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 fiscal year 2011, 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, 2011, 2010, and 2009 were $7,488, $6,209, and $3,662, respectively; 90 percent has been contributed for fiscal year 2011, 39 percent for fiscal year 2010, and 15 percent for fiscal year 2009.

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, 2011.

State Funding - The Ohio Department of Education reviews enrollment data and full-time equivalency (FTE) calculations made by the schools. These reviews ensure the schools are reporting accurate student enrollment data to the State, upon which the state foundation funding is calculated. For the 2011 fiscal year, the results of this review are not yet 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, 2011.

Note 10 - Purchased Service Expenses

For the year ended June 30, 2011, purchased service expenses were payments for services rendered by various vendors, as follows:

Repairs and maintenance	$	10,278
Legal		34,229
Insurance		15,070
Advertising		16,203
Dues and fees		13,225
Ohio Council of Community Schools		63,537
The Leona Group, LLC (Note 12)		445,898
Cleaning services		2,875
Utility		39,000
Other professional services		326,101
Other rentals and leases		6,616
Building lease agreements (Note 11)		143,534
Total purchased services	$	1,116,566

Note 11 - Operating Leases

In May 2010, the Academy entered into a lease agreement with Toledo St. Stephen Parish for a school facility with minimum required rental payments of $11,000 per month over the period from July 1, 2010 through June 30, 2012 and $10,500 per month over the period from July 1, 2012 through June 30, 2015. Cash payments under the lease agreement totaled $132,000; however, the Academy recognized straight-line rent expense in connection with the lease of $128,400 for the fiscal year ended June 30, 2011. In addition, the statement of net assets includes noncurrent other assets of $3,600 which represents the cumulative difference between straight-line expense and the expense based on the contract to date payments.

In May 2011, the Academy entered into a lease agreement with Toledo St. Thomas Aquinas Parish for an additional school facility, rectory, gymnasium, and parking lot, with minimum required rental payments of $15,000 per month over the period from August 1, 2011 through July 31, 2016. The minimum annual rental payments are subject to an annual increase of 2 percent following June 30 of each year of the lease term. The Academy also paid a $10,000 security deposit related to this lease for the fiscal year ended June 30, 2011, which is included in the statement of net assets as noncurrent other assets. The Academy did not owe cash payments for the lease for the first two months; however, the Academy recognized straight-line rent expense and accrued rent in connection with the lease of $15,134 for the fiscal year ended June 30, 2011.

Note 11 - Operating Leases (Continued)

The following is a schedule of the future minimum payments required under the facility operating leases as of June 30, 2011:

Fiscal Years Ending June 30		Amount
2012		$ 297,000
2013		309,600
2014		313,272
2015		317,017
2016		194,838
Thereafter		16,561
	Total minimum lease payments	$ 1,448,288

Note 12 - Management Agreement

The Academy entered into a five-year contract, effective August 21, 2001 through August 20, 2006, with annual renewal options, with The Leona Group, LLC for educational management services for all of the management, operation, administration, and education at the Academy. The Academy has since extended the contract for a period of five years through June 30, 2012. In exchange for its services, TLG receives a capitation fee of 12 percent of the per-pupil expenditures and a year-end fee of 50 percent of the audited financial statement excess of revenue over expenses, if any. The Academy incurred management fees totaling $445,898 for the year ended June 30, 2011. At June 30, 2011, contracts payable include approximately $105,000 for the payment of management fees and approximately $171,000 for reimbursement of subcontracted employees and other operating costs.

Terms of the contracts require TLG to provide the following:

- Implementation and administration of the educational program
- Management of all personnel functions, including professional development
- 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

Note 12 - Management Agreement (Continued)

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, 2011, The Leona Group, LLC incurred the following expenses on behalf of the Academy:

Direct expenses:	
Salaries	$ 1,115,725
Fringe benefits	450,265
Professional and technical services	501,861
Other direct costs	30,675
Total expenses	$ 2,098,526

Note 13 - Upcoming Accounting Pronouncements

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, was issued by the GASB in June 2011 and will be effective for the Academy's 2012-2013 fiscal year. The statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Once implemented, this statement will impact the format and reporting of the balance sheet.

Eagle Academy

Federal Awards
Supplemental Information
June 30, 2011

Contents

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
Eagle Academy

We have audited the basic financial statements of Eagle Academy (the "Academy") as of and for the year ended June 30, 2011 and have issued our report thereon dated November 7, 2011. Those basic financial statements are the responsibility of the management of Eagle 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 Eagle 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

November 7, 2011

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*

Independent Auditor's Report

To the Board of Directors
Eagle Academy

We have audited the financial statements of Eagle Academy (the "Academy") as of and for the year ended June 30, 2011 and have issued our report thereon dated November 7, 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 Eagle 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 that there is a reasonable possibility that a material misstatement of the Academy'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 was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting as Finding 2011-01. 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.

To the Board of Directors
Eagle Academy

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eagle 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*.

Eagle Academy's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Eagle Academy's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the board of directors, others within the Academy, 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

November 7, 2011

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 That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Independent Auditor's Report

To the Board of Directors
Eagle Academy

Compliance

We have audited the compliance of Eagle Academy (the "Academy") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The major federal programs of Eagle 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 Eagle Academy's management. Our responsibility is to express an opinion on Eagle 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 Eagle 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 Eagle Academy's compliance with those requirements.

In our opinion, Eagle Academy complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

To the Board of Directors
Eagle Academy

Internal Control Over Compliance

The management of Eagle 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 Eagle 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the board of directors, others within the Academy, 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

November 7, 2011

Eagle Academy

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	Accrued (Deferred) Revenue at July 1, 2010	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2011
Clusters:						
Child Nutrition Cluster -						
U.S. Department of Agriculture - Passed through the						
Ohio Department of Education - Cash Assistance:						
National School Breakfast Program	10.553	$ 39,051	$ -	$ 34,470	$ 39,051	$ 4,581
National School Lunch Program	10.555	117,059	-	101,540	117,059	15,519
Total Child Nutrition Cluster		156,110	-	136,010	156,110	20,100
Special Education Cluster -						
U.S. Department of Education - Passed through the						
Ohio Department of Education - IDEA:						
IDEA, Part B	84.027	50,538	4,921	50,405	45,484	-
ARRA-IDEA, Part B	84.391	36,939	8,500	8,500	-	-
Total Special Education Cluster		87,477	13,421	58,905	45,484	-
Title I, Part A Cluster -						
U.S. Department of Education -						
Passed through the Ohio Department of Education:						
Title I, Part A	84.010	321,296	44,993	259,164	267,048	52,877
ARRA -Title I	84.389	76,214	59,839	135,861	82,424	6,402
Total Title I, Part A Cluster		397,510	104,832	395,025	349,472	59,279

See Note to Schedule of Expenditures
of Federal Awards.

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	Accrued (Deferred) Revenue at July 1, 2010	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2011
Clusters (Continued):						
Education Technology State Grants Cluster -						
U.S. Department of Education -						
Passed through the Ohio Department of Education -						
Education Technology State Grants (Enhancing Education through Technology Program)	84.318	$ 2,769	$ -	$ 71	$ 71	$ -
State Fiscal Stabilization Fund Cluster -						
U.S. Department of Education -						
Passed through the Ohio Department of Education -						
ARRA - State Fiscal Stabilization Fund (SFSF) - Education Grants, Recovery Act (Education Stabilization Fund)	84.394	180,380	-	180,380	180,380	-
Total clusters		824,246	118,253	770,391	731,517	79,379
Other federal awards:						
U.S. Department of Education:						
Passed through Lake Erie Academy -						
Safe and Drug Free Schools and Communities - Community Service Grants - Project Number Q184B070383	84.184B	78,777	3,484	51,688	48,204	-
Passed through the Ohio Department of Education -						
Improving Teacher Quality	84.367	10,307	4,150	6,724	4,094	1,520

See Note to Schedule of Expenditures of Federal Awards.

Program Title/Project Number/Subrecipient Name	CFDA Number	Approved Awards Amount	Accrued (Deferred) Revenue at July 1, 2010	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2011
Other federal awards (Continued):						
U.S. Department of Education (Continued):						
Passed through the Ohio Department of Education (Continued):						
Title IV, Part A - Safe and Drug-Free Schools and Communites	84.186	$ 1,655	$ -	$ 327	$ 327	$ -
Race to the Top - Early Learning Challenge	84.412	120,763	-	-	15,042	15,042
U.S. Department of Agriculture - Passed through the Ohio Department of Education - Fresh Fruit and Vegetable Program	10.582	13,114	-	11,142	13,114	1,972
Total noncluster programs passed through the Ohio Department of Education		145,839	4,150	18,193	32,577	18,534
Total federal awards		**$1,048,862**	**$ 125,887**	**$ 840,272**	**$ 812,298**	**$ 97,913**

Note to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

Note - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Eagle Academy under programs of the federal government for the year ended June 30, 2011. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of Eagle Academy, it is not intended to and does not present the financial position, changes in net assets or cash flows, if applicable, of Eagle Academy. Pass-through entity identifying numbers are presented where available.

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? __X__ Yes ______ None reported

Noncompliance material to financial statements noted? ______ Yes __X__ No

Federal Awards

Internal control over major programs:

- 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 programs: 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 programs:

CFDA Numbers	Name of Federal Program or Cluster
	Title I Cluster:
84.010	Title I, Part A
84.389	ARRA - Title I Grants to Educational Agencies
84.394	State Fiscal Stabilization Fund

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	Finding
2011-01	**Finding Type** - Significant deficiency

Criteria - The Academy is accounting for its operating lease with Toledo St. Thomas Aquinas Parish under the straight-line lease expense method of accounting, as is appropriate in accordance with GASB guidance due to the scheduled payment requirements in a particular year being artificially low when viewed in context of later payment requirements. This guidance requires recording these expenditures over the term of the lease and recording a liability for the amount of rent unpaid.

Condition - The Academy entered into the Toledo St. Thomas Aquinas Parish lease in May 2011, but did not record any lease expense or liability for rent unpaid under the straight-line lease expense method of accounting. There were no scheduled lease payments for the first two months of the lease.

Context - An audit journal entry was proposed and recorded to increase rent expense and accrued rent of $15,134 in accordance with the lease through June 30, 2011.

Cause - The Academy did not properly review the lease agreement for effective dates and calculated rent expense for the current fiscal year under the straight-line lease method of accounting.

Effect - Prior to the adjustments being recorded, expense and accrued rent were understated by $15,134 at June 30, 2011.

Recommendation - The Academy should review any new agreements to ensure terms are understood and any current year expenses or liabilites are appropriately recorded.

Views of Responsible Officials and Planned Corrective Actions - The Academy is always desirous of recording all accounting entries correctly. The Academy will review all new lease agreements at year end to ensure that liabilities and expenses are recorded properly and in the appropriate period.

Section III - Federal Program Audit Findings

None

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2011

Prior Year Finding Number	Federal Program	Status
2010-01	Title I, Part A Cluster: CFDA #84.010, 84.389	A physical inventory was completed and fixed asset records reconciled during the 2010-11 school year. The finding was fully corrected.

Plante & Moran, PLLC
Suite 100
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

To the Board of Directors
Eagle Academy
Lucas County
2014 Consaul St.
Toledo, OH 43605

Dear Board Members:

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 procedure enumerated below, which was agreed to by the board, solely to assist the board in evaluating whether Eagle Academy has updated its 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 this procedure is solely the responsibility of the board. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted that the board amended its anti-harassment policy at its meeting on March 18, 2010 to include violence within a dating relationship within its definition of harassment, intimidation, or bullying.

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 Eagle Academy's sponsor and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

February 6, 2012

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Dave Yost • Auditor of State

EAGLE 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
MARCH 8, 2012

88 East Broad Street, Fifth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.auditor.state.oh.us