OHIO VIRTUAL ACADEMY
LUCAS COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2006

Mary Taylor, CPA
Auditor of State

OHIO VIRTUAL ACADEMY
LUCAS COUNTY

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Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Ohio Virtual Academy
Lucas County
1655 Holland Road, Suite F
Maumee, Ohio 43537-1622

To the Governing Board:

We have audited the accompanying basic financial statements of the Ohio Virtual Academy, Lucas County, Ohio (the Academy), as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the management company's expenses which totaled $12,543,665 as indicated in Note 15. Other auditors audited these amounts and have furnished their report thereon to us and we based our opinion, insofar as it relates to the amounts included for Note 15, on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Ohio Virtual Academy, Lucas County, Ohio, as of June 30, 2006, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2007, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the Academy's basic financial statements. The federal awards expenditure schedule is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, but is also not a required part of the basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 12, 2007

OHIO VIRTUAL ACADEMY
LUCAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

The discussion and analysis of Ohio Virtual Academy's (the Academy) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2006. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

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

Financial Highlights

Key financial highlights for 2006 are as follows:

- Total net assets decreased $272,141 in 2006.
- Current level of unrestricted net assets is approximately 2.6 percent of total revenue for fiscal year 2006.
- The Academy did not receive DPIA/Parity Aid in FY06, which represented approximately 7.7% of total operating revenue in FY05.
- Due to increased enrollment, net of the funding loss for DPIA/Parity Aid, total revenue increased from $15,370,941 in fiscal year 2005 to $18,247,878 in fiscal year 2006.
- Similarly, total program expenses increased from $14,825,118 in fiscal year 2005 to $18,520,019 in fiscal year 2006.
- Current liabilities increased $544,495 with current assets increasing $310,296 in 2006.
- The Academy does not have any long term debt.

Using this Financial Report

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

Reporting the Academy as a Whole

One of the most important questions asked about the Academy is, "As a whole, what is the Academy's financial condition as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the Academy's financial statements, report information on the Academy as whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Academy's net assets – the difference between assets and liabilities, as reported in the statement of net assets – as one way to measure the Academy's financial health or financial position. Over time, increases or decreases in the Academy's net assets – as reported in the Statement of Net Assets – are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Academy's operating results. However, the Academy's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the school, to assess the overall health of the Academy.

The Statement of Net Assets and the Statement of Activities report the activities for the Academy, which encompass all the Academy's services, including instruction, support services, community services, and food services. Unrestricted state aid and state and federal grants finance most of these activities.

Table 1 provides a summary of the Academy's net assets for fiscal year 2006 and fiscal year 2005:

Table 1

Net Assets

	2006	2005
Assets:		
Cash and Other Current Assets	$ 1,991,007	$ 1,680,711
Capital Assets, Net	67,432	117,022
Total Assets	2,058,439	1,797,733
Liabilities:		
Current Liabilities	1,354,507	810,012
Non-Current Liabilities	53,720	65,368
Total Liabilities	1,408,227	875,380
Net Assets:		
Invested in Capital Assets	67,432	117,022
Restricted	99,905	223,524
Unrestricted	482,875	581,807
Total Net Assets	$ 650,212	$ 922,353

Total net assets decreased by $272,141, however, only $98,932 relates to unrestricted net assets. The decrease in restricted net assets is due to a decrease in grant carryover from FY05 to FY06.

Cash and other current assets increased by $310,296 from $1,680,711 in 2005 to $1,991,007 in 2006. This primarily relates to an increase in cash of $678,781 net of a decrease in intergovernmental receivables of $300,462. In addition, Current Liabilities increased by $544,495 over the prior year. The majority of these differences relate to the timing of adjustments of State Foundation Funding. In FY05, the Academy had a receivable of $295,740 for FY05 state foundation adjustments. The Academy did not have a receivable in FY06, therefore show a decrease in intergovernmental receivables of $300,462. In FY06, the Academy had a payable of $441,802 related to both FY05 and FY06 adjustments to our State Foundation funding. This directly correlates with the larger cash balance and larger intergovernmental payables balance as of June 30, 2006.

In addition, Capital Assets, Net decreased by $49,590 from 2005 to 2006. There were few purchases in 2006 that were required to be capitalized. The decrease is mainly due to depreciation expense for 2006.

Table 2 shows the changes in net assets for fiscal year 2006 and fiscal year 2005, as well as a listing of revenues and expenses:

Table 2
Changes in Net Assets

	2006	2005
Operating Revenue		
Foundation	$ 16,146,705	$ 13,493,462
Disadvantaged Pupil Impact Aid		522,042
Special Education	770,828	407,483
Other Operating Revenue	18,012	322
Non-Operating Revenue		
Grants and Program Initiatives	1,312,333	947,632
Total Revenue	18,247,878	15,370,941
Operating Expenses		
Salaries	3,366,956	2,432,149
Fringe Benefits	1,080,939	825,555
Purchased Services	13,454,099	10,979,109
Materials and Supplies	125,385	172,636
Depreciation	57,710	48,747
Other Operating Expenses	434,930	366,922
Total Expenses	18,520,019	14,825,118
Total Increase/(Decrease) in Net Assets	$ (272,141)	$ 545,823

The revenue generated by a community school is almost entirely dependent on the per-pupil allotment given by the State foundation and from federal entitlement programs.

Total revenue for the Academy only increased 19% from fiscal year 2005 to fiscal year 2006 as compared to the growth in enrollment of nearly 29%. Enrollment (based on FTE) for 2005 was 2,414 compared to 3,110 in fiscal year 2006. Although base foundation funding increased as a direct result of the growth in enrollment, the Academy no longer received funding for DPIA and Parity Aid in fiscal year 2006. In fiscal year 2005, the Academy received DPIA and Parity Aid totaling $1,106,366 which represented 7.7% of total operating revenue.

Non-operating revenue increased by $364,701 over 2005. Federal grant revenue increased by $292,364 due mainly to increased awards for Title I and Title VI-B. In addition, fiscal year 2006 was the first year for local grants and program initiatives totaling $78,500.

Capital Assets

At the end of fiscal year 2006, the Academy had $67,432 net of depreciation invested in furniture and equipment. Most of this equipment is computers and related items.

Current Financial Related Activities

The Academy's financial outlook over the next several years shows continued growth as enrollment is projected to increase. The management team and Board of Trustees intend to continue their good stewardship of public funds by keeping appropriate levels of working capital and net assets. The current level of unrestricted net assets is approximately 2.6 percent of total revenue for fiscal year 2006.

Contacting the Academy's Financial Management

This financial report is designed to provide all stakeholders with a general overview of the Academy's finances. Questions concerning any of the information in this report or requests for additional information should be directed to Kelly Gnepper, Business Manager, Ohio Virtual Academy, 1655 Holland Road, Suite F, Maumee, Ohio 43537-1622.

OHIO VIRTUAL ACADEMY
LUCAS COUNTY

STATEMENT OF NET ASSETS
JUNE 30, 2006

Assets	
Current Assets	
Cash and Cash Equivalents	$ 1,576,231
Intergovernmental Receivable	351,098
Accounts Receivable	50,378
Prepaid Items	13,300
Total Current Assets	1,991,007
Non-Current Assets	
Depreciable Capital Assets, Net	67,432
Total Assets	2,058,439
Liabilities	
Current Liabilities	
Accounts Payable	335,410
Accrued Wages and Benefits	363,448
Intergovernmental Payable	655,649
Total Current Liabilities	1,354,507
Non-Current Liabilities	
Due Within One Year	53,720
Total Liabilities	1,408,227
Net Assets	
Invested in Capital Assets	67,432
Restricted for Grants	99,905
Unrestricted	482,875
Total Net Assets	$ 650,212

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OHIO VIRTUAL ACADEMY
LUCAS COUNTY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Operating Revenues	
Foundation Payments	$ 16,146,705
Special Education	770,828
Other Revenues	18,012
Total Operating Revenues	16,935,545
Operating Expenses	
Salaries	3,366,956
Fringe Benefits	1,080,939
Purchased Services	13,454,099
Materials and Supplies	125,385
Depreciation	57,710
Other	434,930
Total Operating Expenses	18,520,019
Operating Loss	(1,584,474)
Non-Operating Revenues and Expenses	
Operating Grants - Federal	1,221,482
Operating Grants - State	90,851
Total Non-Operating Revenues and Expenses	1,312,333
Change in Net Assets	(272,141)
Net Assets Beginning of Year	922,353
Net Assets End of Year	$ 650,212

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OHIO VIRTUAL ACADEMY
LUCAS COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Foundation Payments	$ 16,882,500
Cash Received from Special Education	770,828
Cash Received from Other Operating Revenues	18,008
Cash Payments to Suppliers for Goods and Services	(13,862,467)
Cash Payments to Employees for Services	(2,978,922)
Cash Payments for Employee Benefits	(928,388)
Cash Payments for Other Operating Uses	(531,712)
Net Cash Used for Operating Activities	(630,153)
Cash Flows from Noncapital Financing Activities	
Federal Grants Received	1,226,204
Operating Grants Received	90,851
Net Cash Provided by Noncapital Financing Activities	1,317,055
Cash Flows from Capital and Related Financing Activities	
Payments for Capital Acquisitions	(8,121)
Net Increase in Cash and Cash Equivalents	678,781
Cash and Cash Equivalents at Beginning of Year	897,450
Cash and Cash Equivalents at End of Year	$ 1,576,231

(Continued)

OHIO VIRTUAL ACADEMY
LUCAS COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(Continued)

Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	$ (1,584,474)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	57,710
Changes in Assets and Liabilities	
Decrease in Accounts Receivable	29,084
Decrease in Intergovernmental Receivable	295,740
Decrease in Prepaid Items	38,939
(Decrease) in Accounts Payable	(397,130)
Increase in Accrued Wages and Benefits	360,920
Increase in Intergovernmental Payable	580,706
(Decrease) in Compensated Absences	(11,648)
Total Adjustments	954,321
Net Cash Used for Operating Activities	$ (630,153)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

1. DESCRIPTION OF THE ACADEMY AND REPORTING ENTITY

Ohio Virtual Academy, (the Academy), is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Academy offers home-based public education for Ohio children in grades K-9. The Academy plans to add tenth and eleven grades for fiscal year 2007. Parents, community leaders, and educators are working with the Academy to help provide an excellent education option. 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.

The Academy was approved for operation under a contract with the Ohio Council of Community Schools, (formerly known as the University of Toledo Charter School Council), (the Sponsor) for a period of five academic years commencing after July 1, 2002. 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 (see Note 16).

The Academy operates under the direction of a five-member Board of Directors. The Board is responsible for carrying out the provisions of the contract that 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 oversees the Academy's instructional/support facility staffed by 16 administrative and 78 certificated teaching personnel who provide services to approximately 3,110 students.

The Academy contracts with K12 Inc. for a variety of services including management of personnel and human resources, the program of instruction, technology, marketing, data management, purchasing, strategic planning, public relations, financial reporting, recruiting, compliance issues, budgets, contracts, and equipment for teachers and students (see Note 14 and 15).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Academy have been prepared in conformity with accounting principles generally accepted in the United States of America (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 prior to November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The more significant of the Academy's accounting policies are described below:

A. Basis of Presentation

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Measurement Focus and Basis of Accounting

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

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is used for reporting purposes.

Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Budgetary Process

Unlike other public schools located in the state of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, except under Ohio Revised Code Section 5705.391, the Academy must prepare a five year spending plan and submit it to the Ohio Superintendent of Public Instruction.

D. Cash and Cash Equivalents

All monies received by the Academy are maintained in a demand deposit account. For the purposes of the statement of cash flows and for presentation on 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.

E. Capital Assets and Depreciation

Capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the dates received. The Academy maintains a capitalization threshold of over one thousand dollars for all assets, except leased assets. Leased assets with a purchase price of $5,000 or less will not be capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Depreciation of capital assets is computed using the straight-line method.

F. Intergovernmental Revenues

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met and they are earned and measurable.

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.

The Academy also participates in various state and federal operating grants. Grants awarded in 2006 included the following: School Net Professional Development $2,725, Title VI-B for $430,897, Title I $710,586, Title IIA $43,465, Title IID $12,354, Title V $7,066, Title IV $17,114, and EMIS for $9,626. The Academy also received $78,500 for local grants and program initiatives in 2006.

Amounts awarded under the above named programs for the 2006 year totaled $18,229,866.

G. 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, 2006, including: accounts and intergovernmental payables.

H. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if employees' rights to receive compensation are attributable to services already rendered and it is probable that the Academy will compensate the employees for the benefits through paid time off or some other means. The Academy records a liability for accumulated unused vacation time as of June 30. A non-current liability in the amount of $53,720 for compensated absences is reflected on the Statement of Net Assets as of June 30, 2006.

I. Net Assets

Net assets represent the difference between assets and liabilities. Invested in Capital Assets, net of related debt consists 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. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Academy or 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.

3. DEPOSITS

At fiscal year end June 30, 2006, the carrying amount of the Academy's deposits totaled $1,576,231 and its bank balance was $1,933,878. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure", as of June 30, 2006, $1,833,878 of the bank balance was exposed to custodial risk as discussed below, while $100,000 was covered by the Federal Depository Insurance Corporation.

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

4. RECEIVABLES

Receivables at June 30, 2006, mostly consisted of foundation and federal grant revenue receivables which are considered collectible in full, due to the stable condition of State programs, and the current year guarantee of federal funds. Receivables are listed as follows:

Program/Vendor	Amount
Title I	$ 164,851
Title II-A	16,407
Title II-D	6,303
Title IV	1,511
Title V	6,112
Title VI - Part B	155,914
Total Intergovernmental Receivable	351,098
K12 Inc.	48,673
Other	1,705
Total Receivables	$ 401,476

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2006:

	Balance 06/30/05	Additions	Deletions	Balance 06/30/06
Furniture, Fixtures & Equipment	$180,105	$ 8,120	$(2,268)	$ 185,957
Less: Accumulated Depreciation	(63,083)	(57,710)	2,268	(118,525)
Capital Assets, Net	$117,022	$ (49,590)	$ -	$ 67,432

6. INSTRUCTION

Approximately 75 percent of operating expenditures are used to provide direct instruction to students. Costs by various categories are as follows:

Service Type	Total
Salaries and Benefits	$ 4,927,522
Web Based Software-Curriculum	4,484,263
Instructional Materials Expense	2,223,387
Student Computers	1,660,215
Student Internet Reimbursement	389,035
Special Education Services	187,721
Secondary Instruction	1,747
Total	$ 13,873,890

7. RISK MANAGEMENT

A. 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 fiscal year ended 2006, the Academy obtained insurance through broker Brooks Insurance with the following insurance coverage:

Commercial General Liability per Occurrence	$1,000,000
Commercial General Liability Aggregate	1,000,000
Umbrella Liability per Occurrence	4,000,000
Umbrella Liability Aggregate	4,000,000
Property	
Automobiles	1,000,000

There have been no claims filed.

B. Workers' Compensation

The Academy pays the State Worker's 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.

C. Employee Medical, Dental, Vision, Prescription and Life Benefits

The Academy has contracted with private carriers to provide employee medical, dental, vision, prescription and life insurance to its employees.

8. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The Academy contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan administered by the School Employees Retirement Board. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

For the fiscal year 2006, plan members were required to contribute 10 percent of their annual covered salary and the Academy was required to contribute at an actuarially determined rate. The employer rate for period ending June 30, 2006, was 14 percent of annual covered payroll; 10.58 percent was the portion used to fund pension obligations. 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 Academy's required contribution for pension obligations to SERS for the fiscal year ended June 30, 2006, 2005, and 2004, was $108,888, $73,288, and $51,544 respectively; 81 percent has been contributed for the fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. The balance outstanding is reflected as an intergovernmental payable. Per contract between OHVA and K12 Inc., K12 Inc. is responsible for the payment of employee and employer shares for earnings of its administrative staff. Thus, the unpaid contribution for fiscal year 2006 is $34,545 and is booked as an account receivable from K12 Inc and as an intergovernmental payable to SERS.

B. State Teachers Retirement System

The Academy contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio is a statewide retirement plan for licensed teachers and other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

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% of earned compensations. The Combined Plan offers features of the DC Plan and the DB. In the Combined Plan, the member contributions are allocated 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 the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

8. DEFINED BENEFIT PENSION PLANS – (Continued)

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 31^{st} 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 – The member allocates Member contributions, 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.

Eligible faculty of Ohio' public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offer by their employer. Employees have 120 days from their employment date to select a retirement plan.

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 a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

8. DEFINED BENEFIT PENSION PLANS – (Continued)

Benefits are increased annually by 3% of the original base amount for Defined Benefit Plan participants. The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependent. 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 Defined Benefit 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 Defined Benefit 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. Contributions rate 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 year June 30, 2006, 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. The Academy's required contribution for pension obligations for the fiscal year June 30, 2006, 2005, and 2004, were $421,966, $316,711, and $249,878; 83.4 percent was contributed for fiscal year June 30, 2006, and 100 percent was made for fiscal years 2005 and 2004. $115,635 represents the unpaid contribution for fiscal year 2006. The balance outstanding is reflected as an intergovernmental payable.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio 2006 Comprehensive Annual Financial Report will be available after January 1, 2006. Additional information or copies of STRS Ohio's 2006 Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Board St., Columbus, Ohio 43215-3771, by calling (614) 227-4090, or by visiting the STRS Ohio Web site at www.strsoh.org.

9. POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Effective January 1, 2005, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. A safety net is in place for retirees whose household income falls below federal poverty levels. Premiums are reduced by 50% for those who apply.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 2006, the healthcare allocation is 3.42 percent. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay was established at $35,800. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses, before premium deduction. Net health care costs for the year ending June 30, 2005 (the latest information available), were $178,221,113. The target level for the health care fund is 150% of the projected claims less premium contributions for the next fiscal year. As of June 30, 2005, the value of the health care fund was $267.5 million, which is about 168% of next year's projected net health care costs of $158,776,151. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide for a health care reserve equal to at least 150% of estimated annual net claim costs. The number of recipients currently receiving health care benefits is approximately 58,123.

The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For fiscal year 2006, the Board allocated employer contributions equal to 3.42 percent of covered payroll and adding the surcharge due to the Health Care Reserve Fund. For the Academy, the amount to fund health care benefits, including surcharge, equaled $40,543 for the fiscal year 2006.

B. State Teachers Retirement System

STRS Ohio provides access to health care coverage to retirees who participated in the Defined Benefit or Combined Plans and their dependents. Coverage under the current plan includes hospitalization, physicians' fees prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the Revised Code (R.C.) the State Teachers Retirement Board (the Board) has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium.

9. POSTEMPLOYMENT BENEFITS – (Continued)

The R.C. grants authority to STRS Ohio to provide health care coverage to eligible benefit recipients, spouses and dependents. By Ohio Law, health care benefits are not guaranteed and the cost of the coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For fiscal year June 30, 2006, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Stabilization Fund was $3.3 billion as of June 30, 2005. For the Academy, this amount equaled $32,459 for the fiscal year ended June 30, 2006.

For the fiscal year ended June 30, 2005 (the latest information available) net health care costs paid by STRS Ohio were $254,780,000. There were 115,395 eligible benefit recipients.

10. CONTINGENCIES

A. 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 as specified in the grant agreements and is 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, 2006.

B. State Foundation Funding

The Ohio Department of Education conducts reviews of enrollment data and full time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The review resulted in the discovery of an overpayment to the Academy in the amount of $440,054. This amount is reflected as intergovernmental payable and is deducted from State foundation revenue.

C. Litigation

A suit was filed in the US District Court, Southern District of Ohio, Western Division on October 6, 2004, which challenges the funding of charter schools under Equal Protection, Due Process and claims violation of a right to vote on the bodies administering public schools. The case is still pending. The effect of this suit, if any, on Ohio Virtual Academy is not presently determinable.

11. OPERATING LEASES

The Academy leases an office facility under an operating lease. The terms of this lease end July 15, 2007. Total lease payments were $89,174 for the year ended June 30, 2006. The future minimum lease payments, excluding taxes and Common Area Operating Expenses, for this lease are as follows:

Fiscal Year Ending June 30,	Total
2007	$ 89,245
2008	3,599
Total minimum lease payments	$ 92,844

12. PURCHASED SERVICE EXPENSES

For the fiscal year ended June 30, 2006, purchased service expenses were payments for services rendered by various vendors, as follows:

Service Type	Total
Professional/Technical Services	$ 11,125,763
Property Services	1,815,457
Travel	248,668
Communications	224,324
Utilities	14,570
Contracted Trade Service	25,051
Other Purchased Services	266
Total	$ 13,454,099

13. TAX EXEMPT STATUS

The Academy was approved for tax exempt status under § 501(c)(3) of the Internal Revenue Code.

14. MANAGEMENT AGREEMENT

The Academy entered into a five-year contract, effective May 17, 2002, through June 30, 2007, with K12 Inc. for educational, administrative and technology services. Per the management agreement, K12 Inc. is entitled to 12 percent of revenues as an administrative fee (management) and 7 percent of revenues as a technology fee. The educational services are purchased at the prevailing rate charged by K12 Inc. to its partner schools. Terms of the contract require K12 Inc. to provide the following:

14. MANAGEMENT AGREEMENT – (Continued)

A. Administrative services:
- Personnel and facility management,
- Administration of all business aspects and day-to-day management of the Academy
- Budgeting and financial reporting and the annual reports
- Maintenance of financial and student records
- Pupil recruitment, Admissions and Student Discipline
- Rules and Procedures and nondiscrimination requirements
- Public relations

B. Technology services:
- Integrate technology and data systems with Academy's curriculum
- Monitor and analyze data, as necessary
- Report on pupils academic performance
- Seek and secure competitive pricing and discounts for Academy, as available
- Provide training to staff, parents, students as deemed necessary
- Develop, design, publish and maintain the Academy's interactive website
- Supervise installation of Academy's internal computer and telephone network
- Negotiate contracts with computer, printer, student information system, software and office set-up vendors
- Determine hardware configurations for the Academy's technology needs
- Support administrators in troubleshooting system errors

C. Educational services:
- Curriculum
- Instructional tools
- Additional educational services

As of June 30, 2006, payments to K12 Inc. totaled $12,148,370 with $256,938 still outstanding for all services. The breakdown is as follows:

Service Type	Total
Management Fee	$ 2,273,446
Web Based Software-Curriculum	4,655,833
Instructional Materials Usage	2,200,279
Teacher Instructional Materials	30,670
Technology Services Fee	1,327,927
Student Computers-Lease	1,660,215
Total	$ 12,148,370

15. K12 INC. MANAGEMENT COMPANY DISCLOSURE

For the fiscal year ended June 30, 2006, K12 Inc. incurred the following expenses:

Direct Expenses	
Salaries and wages	$ 4,059,200
Books, periodicals, and films	1,521,503
Contracted craft or trade services	982,851
Professional and technical services	969,975
Depreciation	932,398
Employee benefits	579,791
Other purchased services	493,019
Other supplies	179,150
Communications	136,905
Travel	40,893
Property services	1,494
Dues and fees	1,138
	9,898,317
Overhead	2,645,348
	$ 12,543,665

16. SPONSOR

The Academy was approved for operation under a contract with the Ohio Council of Community Schools (the Sponsor) for a period of five academic years commencing after July 1, 2002. As part of this contract, the Sponsor is paid an oversight fee which is 3 percent of the total State Foundation funds received for the first 1,000 students, 2 percent for 1,001-2,500 students, and 1 percent for any students over 2,500. The total amount paid to the Sponsor for fiscal year 2006 was $371,970.

OHIO VIRTUAL ACADEMY
LUCAS COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

FEDERAL GRANTOR *Pass Through Grantor* Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
U.S. DEPARTMENT OF EDUCATION				
Passed Through the Ohio Department of Education				
Title I Grants to Local Educational Agencies	C1S1-2005	84.010	$ 65,716	$ 65,716
	C1S1-2006		636,721	638,999
Total Title I Grants to Local Educational Agencies			**702,437**	**704,715**
Special Education Grants to States	6BSF-2005	84.027	80,025	80,025
	6BSF-2006		356,875	347,018
Total Special Education Grants to States			**436,900**	**427,043**
Safe and Drug-Free Schools and Communities State Grant	DRS1-2005	84.186	3,694	3,694
	DRS1-2006		17,717	12,651
Total Safe and Drug-Free Schools and Communities State Grant			**21,411**	**16,345**
Innovative Education Program Strategies	C2S1-2006	84.298	**1,582**	**1,582**
Technology Literacy Challenge Fund Grants	TJS1-2005	84.318	2,489	2,489
	TJS1-2006		8,721	12,465
Total Technology Literacy Challenge Fund Grants			**11,210**	**14,954**
Improving Teacher Quality State Grants	TRS1-2005	84.367	21,071	21,071
	TRS1-2006		31,592	27,327
Total Improving Teacher Quality State Grants			**52,663**	**48,398**
Total U.S. Department of Education			$ 1,226,203	$ 1,213,037

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE

OHIO VIRTUAL ACADEMY
LUCAS COUNTY

NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the Academy's federal award programs. The schedule has been prepared on the cash basis of accounting.

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Mary Taylor, CPA
Auditor of State

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

Ohio Virtual Academy
Lucas County
1655 Holland Road Suite F
Maumee, Ohio 43537-1622

To the Governing Board:

We have audited the basic financial statements Ohio Virtual Academy, Lucas County (the Academy) as of and for the year ended June 30, 2006, and have issued our report thereon dated December 12, 2007, which indicated that the amounts presented in Note 15 were audited by other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Academy's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

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

One Government Center / Room 1420 / Toledo, OH 43604-2246
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484
www.auditor.state.oh.us

We intend this report solely for the information and use of the audit committee, management, Governing Board, sponsor, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 12, 2007

Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Ohio Virtual Academy
Lucas County
1655 Holland Road, Suite F
Maumee, Ohio 43537-1622

To the Governing Board:

Compliance

We have audited the compliance of Ohio Virtual Academy, Lucas County (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 apply to its major federal program for the year ended June 30, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the Academy's major federal program. The Academy's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Academy's compliance with those requirements.

In our opinion, the Academy complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2006.

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Internal Control Over Compliance

The Academy's management 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 the Academy's internal control over compliance with requirements that could directly and materially affect a major federal program 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We intend this report solely for the information and use of the audit committee, management, Governing Board, sponsor, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 12, 2007

OHIO VIRTUAL ACADEMY
LUCAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unqualified
(d)(1)(ii)	**Were there any material control weakness conditions reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material internal control weakness conditions reported for major federal programs?**	No
(d)(1)(iv)	**Were there any other reportable internal control weakness conditions reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under § .510?**	No
(d)(1)(vii)	**Major Programs (list):**	Special Education Grants to States CFDA # 84.027
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

OHIO VIRTUAL ACADEMY
LUCAS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2005-001	Finding for Recovery repaid under audit	Yes	
2005-002	Finding and Questioned Costs for Federal Awards	Yes	

Mary Taylor, CPA
Auditor of State

OHIO VIRTUAL 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
JANUARY 3, 2008

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