



**APEX ACADEMY
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2014



Dave Yost • Auditor of State

Board of Directors
Apex Academy
16005 Terrace Road
East Cleveland, OH 44112

We have reviewed the *Independent Auditor's Report* of the Apex Academy, Cuyahoga County, prepared by Canter & Associates, for the audit period July 1, 2013 through June 30, 2014. Based upon this review, we have accepted this report 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 Apex Academy is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

April 14, 2015

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APEX ACADEMY – CUYAHOGA COUNTY

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INDEPENDENT AUDITOR'S REPORT

Apex Academy
Cuyahoga County
16005 Terrace Road
East Cleveland, OH 44112

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of Apex Academy, Cuyahoga County (the Academy), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Academy's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Apex Academy, Cuyahoga County, as of June 30, 2014, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Academy's basic financial statements. The federal awards receipts and expenditures schedule is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The federal awards receipts and expenditures schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the federal awards receipts and expenditures schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2015, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Apex Academy's internal control over financial reporting and compliance.



CANTER & ASSOCIATES

Poland, Ohio

January 20, 2015

APEX ACADEMY

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

The discussion and analysis of Apex Academy's (the "Academy") financial performance provides an overall review of the Academy's financial activities through June 30, 2014. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole. It should be read in conjunction with the financial statements and notes to the financial statements, which immediately follow this section, to enhance understanding of the Academy's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Financial Statements — and Management's Discussion and Analysis — for State and Local Government*, issued June, 1999.

Financial Highlights

For the fiscal year ended June 30, 2014, total assets were \$278,566 total liabilities were \$207,793, and total net position was \$70,773.

Using this Financial Report

This report consists of the MD&A, the financial statements, and notes to those statements. The financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, 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 position and the statement of revenues, expenses, and changes in net position, which appear first in the Academy's financial statements, report information on the Academy as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 position — the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, as reported in the statement of net position — as one way to measure the Academy's financial health or financial position. Over time, increases or decreases in the Academy's net position — as reported in the statement of net position — 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.

APEX ACADEMY

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014 (UNAUDITED)

One must consider many other nonfinancial 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 position and the statement of revenues, expenses, and changes in net position 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. The Academy has entered into a services agreement (the "Agreement") with National Heritage Academies, Inc. (NHA) which requires NHA to provide administration, strategic planning and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. As part of the consideration received under the Agreement, NHA also provides the facility in which the Academy operates. Under the terms of the Agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the Academy from all revenue sources.

The table below provides a summary of the Academy's net position for fiscal years ended June 30:

| | 2014 | 2013 |
|---|------------------|------------------|
| Assets: | | |
| Current assets | \$ 269,997 | \$ 334,596 |
| Capital assets, net of accumulated depreciation | <u>8,569</u> | <u>10,400</u> |
| Total assets | <u>278,566</u> | <u>344,996</u> |
| | | |
| Liabilities—current | <u>207,793</u> | <u>311,236</u> |
| | | |
| Net position : | | |
| Net investment in capital assets | 8,569 | 10,400 |
| Restricted - School Service Fund | 38,084 | 12,425 |
| Unrestricted | <u>24,120</u> | <u>10,935</u> |
| | | |
| Total net position | <u>\$ 70,773</u> | <u>\$ 33,760</u> |

The unrestricted net position represent the accumulated results of the Academy's operations to date. These assets can be used to finance day-to day-operations without constraints, such as legislative or legal requirements. The results of the current-year operations for the Academy as a whole are reported in the statement of revenues, expenses, and changes in net position, which shows the change in net position.

APEX ACADEMY

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014 (UNAUDITED)

Statement of Revenues, Expenses, and Changes in Net position

The table below shows the changes in net position as well as a listing of revenues and expenses for the fiscal years ending June 30:

| | 2014 | 2013 |
|------------------------------------|--------------------|--------------------|
| Operating revenues: | | |
| Foundation payments | \$ 4,480,171 | \$4,036,281 |
| Food services | 3,468 | 1,759 |
| Other revenues | <u>72,719</u> | <u>12,526</u> |
| Total operating revenues | <u>4,556,358</u> | <u>4,050,566</u> |
| Operating expenses: | | |
| Depreciation | 1,831 | 1,831 |
| Expenses of the Board of Directors | 21,816 | - |
| Contracted service fee | <u>5,978,634</u> | <u>5,966,697</u> |
| Total operating expenses | <u>6,002,281</u> | <u>5,968,528</u> |
| Operating loss | <u>(1,445,923)</u> | <u>(1,917,962)</u> |
| Nonoperating revenues: | | |
| Federal grants | 995,377 | 1,333,153 |
| State grants | 7,665 | 19,820 |
| Private sources—NHA | <u>479,894</u> | <u>572,721</u> |
| Total nonoperating revenues | <u>1,482,936</u> | <u>1,925,694</u> |
| Change in net position | <u>\$ 37,013</u> | <u>\$ 7,732</u> |

As reported in the statement of revenues, expenses, and changes in net position, the cost of business activities was \$6,002,281. These activities were primarily funded by the Academy's state aid (based on student count) and governments and organizations that subsidized certain programs with grants. *Non-Operating Revenues — Private sources — NHA* represent a contribution granted by NHA for the excess of Academy expenses over public revenues available.

The Academy experienced an increase in net position of \$37,013 in 2014. Under the terms of the Agreement, NHA provides a spending account to the Board of Directors for discretionary expenditures. The primary reason for the change in net position is the timing of these discretionary expenditures.

APEX ACADEMY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

Capital Assets

At June 30, 2014, the Academy had \$8,569 invested in capital assets from board discretionary funds, primarily other equipment. Capital assets are substantially provided as part of the agreement with NHA.

General Economic Factors

The Academy depends on legislative and governmental support to fund its operations. Based on information currently available, no significant changes are expected to occur in the nature of the funding or operations of the Academy in 2014.

Contacting the Academy's Financial Management

The financial report is designed to provide users of the report with a general overview of the Academy's finances and to demonstrate the Academy's accountability for the money it receives. If you have questions about this report, contact the Chief Financial Officer of National Heritage Academies, Inc., 3850 Broadmoor SE, Ste. 201, Grand Rapids, MI 49512.

APEX ACADEMY

STATEMENT OF NET POSITION

JUNE 30, 2014

CURRENT ASSETS:

| | | |
|------------------------------|----|----------------|
| Cash | \$ | 24,120 |
| Intergovernmental receivable | | <u>245,877</u> |
| Total current assets | | <u>269,997</u> |

NON-CURRENT ASSETS:

| | | |
|-------------------------------|--|------------------|
| Capital assets | | 138,678 |
| Less accumulated depreciation | | <u>(130,109)</u> |
| Total non-current assets | | <u>8,569</u> |

Total assets 278,566

LIABILITIES:

| | | |
|--------------------------------|--|----------------|
| Unearned revenue | | 470 |
| Contracted service fee payable | | <u>207,323</u> |
| Total liabilities | | <u>207,793</u> |

NET POSITION :

| | | |
|----------------------------------|--|---------------|
| Net investment in capital assets | | 8,569 |
| Restricted - School Service Fund | | 38,084 |
| Unrestricted | | <u>24,120</u> |

TOTAL NET POSITION \$ 70,773

See notes to financial statements.

APEX ACADEMY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEAR ENDED JUNE 30, 2014

| | |
|------------------------------------|--------------------|
| OPERATING REVENUES: | |
| Foundation payments | \$ 4,480,171 |
| Food services | 3,468 |
| Other revenues | <u>72,719</u> |
| Total operating revenues | <u>4,556,358</u> |
| OPERATING EXPENSES: | |
| Depreciation | 1,831 |
| Expenses of the Board of Directors | 21,816 |
| Contracted service fee | <u>5,978,634</u> |
| Total operating expenses | <u>6,002,281</u> |
| OPERATING LOSS | <u>(1,445,923)</u> |
| NONOPERATING REVENUES: | |
| Federal grants | 995,377 |
| State grants | 7,665 |
| Private sources — NHA | <u>479,894</u> |
| Total nonoperating revenue | <u>1,482,936</u> |
| CHANGE IN NET POSITION | 37,013 |
| NET POSITION — Beginning of year | <u>33,760</u> |
| NET POSITION — End of year | <u>\$ 70,773</u> |

See notes to financial statements.

APEX ACADEMY

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|---|--------------------|
| Cash received from State of Ohio | \$ 4,463,566 |
| Cash received from food services | 3,512 |
| Cash received from other operating revenue | 72,719 |
| Cash paid on behalf of the Academy for goods and services | <u>(5,514,349)</u> |
| Net cash used in operating activities | <u>(974,552)</u> |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

| | |
|--|----------------|
| Federal grants received | 979,297 |
| State grants received | <u>7,665</u> |
| Net cash provided by noncapital financing activities | <u>986,962</u> |

NET INCREASE IN CASH

12,410

CASH — Beginning of year

11,710

CASH — End of year

\$ 24,120

RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:

| | |
|---|------------------|
| Operating loss | \$ (1,445,923) |
| Support from private sources — NHA | 479,894 |
| Depreciation | 1,831 |
| Changes in assets and liabilities: | |
| Change in intergovernmental receivables affecting operating revenue | 93,089 |
| Change in unearned revenue | 44 |
| Change in contracted service fee payable | <u>(103,487)</u> |

NET CASH USED FOR OPERATING ACTIVITIES

\$ (974,552)

NON-CASH ACTIVITY:

| | |
|------------------------------------|-------------------|
| Support from private sources — NHA | <u>\$ 479,894</u> |
|------------------------------------|-------------------|

See notes to financial statements.

APEX ACADEMY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

1. NATURE OF OPERATIONS

Apex Academy (the “Academy”) is an Ohio Public School Academy, which provides education based on rigorous teaching methods, parental involvement, student responsibility, and basic moral values. The Academy operates an approved charter received from Educational Service Center of Lake Erie West (ESCLEW or the “Sponsor”), which is responsible for oversight of the Academy’s operations. The charter’s term expires on June 30, 2018 and is subject to renewal. Management believes the charter will be renewed in the ordinary course of business. The Academy provides education to students in kindergarten through the eighth grade, at no cost to the parent. Enrollment is open to all appropriately aged children without regard to gender, ethnic background, disability, and/or religious affiliation.

The Academy was established and is operated as a nonprofit corporation under Chapter 1702 of the Ohio Revised Code and believes itself to be exempt from taxation under Internal Revenue Code Section 115(1) because its income is derived from the exercise of an essential governmental function and accrues to the State of Ohio (the “State”). Donations to the Academy qualify as a charitable deduction under Internal Revenue Code Section 170(c)(1).

The Academy operates under the direction of a board of directors (the “Board”). The Board is responsible for carrying out the provisions of the contract with the Sponsor 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 has entered into a services agreement (the “Agreement”) with National Heritage Academies, Inc. (NHA) which requires NHA to provide administration, strategic planning and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. As part of the consideration received under the Agreement, NHA also provides the facility in which the Academy operates. The Agreement will continue until the termination or expiration of the charter contract, up to a maximum of five years, unless at least 90 days written notice of intent to terminate or renegotiate is given by either the Academy or NHA.

Under the terms of the Agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the Academy from all revenue sources. *Non-Operating Revenues — Private sources — NHA* represent a contribution granted by NHA for the excess of Academy expenditures over public revenues available.

APEX ACADEMY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

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 more-significant of the Academy's accounting policies are described below.

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

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

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

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

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

APEX ACADEMY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

Expenses are recognized at the time they are incurred.

Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Deposits — For cash management, all cash received by the Academy is pooled in a non-interest bearing central bank account. Total cash for the Academy is presented as “Cash” on the accompanying statement of net position. Cash as of June 30, 2014, represents bank deposits, which are covered by federal depository insurance.

Capital Assets — Capital assets, which include other equipment, are reported in the financial statements at historical cost. Capital assets are generally defined by the Academy as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year.

Other equipment is depreciated using the straight-line method over useful lives of 3–10 years.

Contracted Service Fee Payable — Contracted service fee payable as of June 30, 2014, represents a timing difference between funds received from governmental sources and amounts payable to NHA in accordance with the agreement.

Unearned Revenue — Unearned revenue is reported in connection with funds that have been received for services which have not been performed and is therefore not yet earned.

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

Grants and entitlements are recognized as nonoperating revenue in the accounting period in which all eligibility requirements have been met.

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

APEX ACADEMY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

Net Position — Net position represent the difference between all other elements in a statement of financial position. Net investment in capital assets 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. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At fiscal year-end June 30, 2014, the Academy had \$38,084 in restricted net position related to the School Service Fund.

Budgetary Process — The contract between the Academy and its Sponsor prescribes an annual budget requirement in addition to preparing a five-year forecast, which is to be updated on an annual basis. Chapter 5705.391(A) of the Ohio Revised Code also requires the Academy to prepare a five-year forecast, update it annually, and submit it to the Superintendent of Public Instruction at the Ohio Department of Education.

3. DEPOSITS AND INVESTMENTS

At fiscal year-end June 30, 2014, the Academy's bank balance was \$26,294. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of June 30, 2014, none of the bank balance was exposed to custodial risk as discussed below and all of the bank balance 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 Bank 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, 2014, consisted of intergovernmental grants. All receivables are considered collectible in full and will be received within one year.

APEX ACADEMY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

A summary of the principal items of intergovernmental receivables at June 30, 2014, is as follows:

| | Amounts |
|-------------------------------------|--------------------------|
| Due from State | \$ 20,137 |
| Title I | 147,003 |
| Title I School Improvement | - |
| Race to the Top ARRA | 53,687 |
| National School Lunch and Breakfast | <u>25,050</u> |
| Total intergovernmental receivables | <u><u>\$ 245,877</u></u> |

5. CAPITAL ASSETS

Capital asset activity of the Academy's governmental activities at June 30, 2014, was as follows:

| | Beginning Balance | Additions | Disposals | Ending Balance |
|--|------------------------------|-------------------------|--------------------|---------------------------|
| Business-type activities — equipment | \$ <u>211,212</u> | \$ <u>-</u> | \$ <u>72,534</u> | \$ <u>138,678</u> |
| Total capital assets at historical cost | <u>211,212</u> | <u>-</u> | <u>72,534</u> | <u>138,678</u> |
| Less accumulated depreciation — equipment | <u>(200,812)</u> | <u>(1,831)</u> | <u>(72,534)</u> | <u>(130,109)</u> |
| Total accumulated depreciation | <u>(200,812)</u> | <u>(1,831)</u> | <u>(72,534)</u> | <u>(130,109)</u> |
| Total business-type activities capital assets — net | <u><u>\$ 10,400</u></u> | <u><u>\$(1,831)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 8,569</u></u> |

6. PENSION PLANS

School Employees Retirement System

Plan Description — NHA and contractors of NHA, on behalf of certain employees at the Academy, contribute to the School Employees Retirement System (SERS or the "System"), a cost-sharing multiple-employer defined benefit pension plan.

APEX ACADEMY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

SERS provides retirement, disability, survivor 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 on the SERS website at www.ohsers.org under “Employers/Audit Resources.”

Funding Policy — Plan members were required to contribute 10% of their annual covered salary and NHA was required to contribute at an actuarially determined rate. NHA’s current rate is 14% of annual covered payroll. A portion of NHA contributions are used to fund pension obligations with the remainder being used to fund health care benefits. For the fiscal year ending June 30, 2014, 13.05% and 0.05% of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The remaining 0.9% of the 14% employer contribution rate is allocated to the Health Care and Medicare Funds. 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% for plan members and 14% for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions.

NHA’s required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2014, 2013, and 2012, were \$40,692, \$51,225, and \$50,189, respectively; and 100% was contributed for each fiscal year.

State Teachers Retirement System

Plan Description — NHA, on behalf of teachers at the Academy, participates in the State Teachers Retirement System of Ohio (“STRS Ohio”), 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 issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained on the Ohio STRS website at www.strsoh.org under “Publications.”

New members have a choice of three retirement plans, a defined benefit plan (the “DB Plan”), a defined contribution plan (the “DC plan”) and a combined plan (the “Combined Plan”). The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member’s lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 9.5% of earned compensation into an investment account.

APEX ACADEMY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The 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. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB Plan 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. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy — Plan members were required to contribute 11% of their annual covered salaries. NHA was required to contribute 14%; 13% was used to fund pension obligations and 1% was used for the health care stabilization fund. Contribution rates are established by the State Teachers Retirement Board (the "Retirement Board"), upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 14% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

NHA's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013, and 2012, were \$209,798, \$199,967, and 227,899 respectively; 100% was contributed for each fiscal year.

7. POSTEMPLOYMENT BENEFITS

School Employees Retirement System

Plan Description — NHA and contractors of NHA, on behalf of certain employees at the Academy, participates in two cost-sharing, multiple employer postemployment benefit plans administered by SERS for noncertificated retirees and their beneficiaries, a health care plan (the "Health Care Plan") and a Medicare Part B plan (the "Medicare Part B Plan"). The Health Care Plan includes hospitalization and physicians' fees through several types of plans including health maintenance organizations, preferred provider organizations, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage.

APEX ACADEMY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2014 was \$104.90 for most participants and the SERS' reimbursement to retirees was \$45.50. 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 may be obtained on SERS' website at www.ohsers.org under "Employers/Audit Resources."

Funding Policy — State statute permits SERS to fund the health care 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% of covered payroll to a health care fund (the "Health Care Fund"). The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2014, 0.14% of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the actuarially determined amount was \$20,250.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

NHA's contributions for health care (including surcharge) for the fiscal years ended June 30, 2014, 2013, and 2012, were \$2,418, \$546, and \$3,416 respectively, 100% was contributed in each fiscal year.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare Part B fund. For fiscal year 2014, the actuarially required allocation is 0.76% of covered payroll.

APEX ACADEMY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

NHA's contributions to the Medicare B fund for the fiscal years ended June 30, 2014, 2013, and 2012, were \$2,361, \$2,817, and \$3,516 respectively, 100% was contributed in each fiscal year.

State Teachers Retirement System

Plan Description — NHA, on behalf of teachers at the Academy, contributes to the cost sharing, multiple-employer defined benefit health plan (the "Plan") administered by 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 under "Publications."

Funding Policy — Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care 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 2014, STRS Ohio allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund.

NHA's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012, were \$16,138, \$15,382, and \$17,531, respectively; 100% was contributed for each fiscal year.

8. RISK MANAGEMENT

The Academy is exposed to various risks of loss related to general liability. Commercial insurance policies to cover certain risks of loss have been obtained through Citizens Insurance Company of America as follows:

Commercial General Liability \$1,000,000 per occurrence
\$3,000,000 in the aggregate with no deductible

Commercial Liability Umbrella \$3,000,000 per occurrence
\$3,000,000 in the aggregate with no deductible

There have been no significant reductions in insurance coverage during fiscal year 2014, and claims did not exceed coverage less retained risk deductible amounts during the past three fiscal years.

APEX ACADEMY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

9. CONTINGENCIES

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

State Funding— The Ohio Department of Education conducts reviews of enrollment data and full-time equivalent 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 results of this review could result in the State funding being adjusted. The Academy does not anticipate any material adjustments to State funding for fiscal year 2014, as a result of such a review.

10. CONTRACTED SERVICE FEE

NHA incurred the following actual direct and indirect expenses on behalf of the Academy for the year ended June 30, 2014:

| | |
|-------------------------------------|------------------|
| Contracted Service Fee: | |
| Salaries, wages and benefits | 2,625,039 |
| Professional and technical services | 238,443 |
| Contracted (trade) services | 15,089 |
| Property services | 1,455,128 |
| Books, periodicals, films | 77,059 |
| Supplies | 144,086 |
| Utilities | 76,212 |
| Food service | 311,490 |
| Travel and training | 77,009 |
| Purchases services | 72,554 |
| Equipment lease and purchases | 115,750 |
| Field trips and student activities | 40,458 |
| Insurance and property taxes | 18,922 |
| | |
| Total Direct Costs | 5,267,239 |
| | |
| Indirect Costs | 711,395 |
| | |
| Total | <u>5,978,634</u> |

APEX ACADEMY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

NHA charges expenses benefiting more than one school (i.e., indirect expenses) based on key cost drivers. These charges represent indirect cost of services provided in the operation of the Academy. Such services include, but are not limited to, facilities management, equipment, operational support services, board relations, human resources management, training and orientation, financial reporting and compliance, purchasing and procurement, education services, technology support, and marketing and communications.

11. SPONSORSHIP AGREEMENT

The Academy entered into a sponsorship agreement with the ESCLEW. The sponsorship agreement provides that ESCLEW receives 1.5% of State Foundation funds received by the Academy from the State. This amounted to \$67,203 for fiscal year 2014.

12. OPERATING LEASE

The Academy has entered into a sublease agreement with NHA for a facility to house the Academy. The lease term is from July 1, 2013 through June 30, 2014. Annual rental payments required by the lease are \$856,360 payable in twelve monthly payments of \$71,613. This lease is automatically renewed on a year-to-year basis unless a notice of non-renewal is provided by either the Academy or NHA.

The Academy subsequently amended and renewed the sublease with NHA for the period of July 1, 2014 through June 30, 2015, at the same rental rate.

* * * * *

**APEX ACADEMY
CUYAHOGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
YEAR ENDED JUNE 30, 2014**

| 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 | 2013 | 84.010 | 132,556 | 59,126 |
| | 2014 | | <u>319,166</u> | <u>309,358</u> |
| | | | 451,722 | 368,484 |
| Title I School Improvement (sub A) | 2013 | 84.010 | <u>2,750</u> | - |
| | | | 2,750 | - |
| Title IIA Improving Teacher Quality | 2013 | 84.367 | 10,009 | 10,009 |
| | 2014 | | <u>4,896</u> | <u>4,896</u> |
| | | | 14,905 | 14,905 |
| Race to the Top | 2013 | 84.395A | 33,968 | 33,968 |
| Race to the Top | 2014 | | <u>30,720</u> | <u>42,025</u> |
| | | | 64,688 | 75,993 |
| Special Education Cluster— | | | | |
| IDEA Part B | 2013 | 84.027 | 31,774 | 23,106 |
| | 2014 | | <u>112,838</u> | <u>112,838</u> |
| | | | 144,612 | 135,944 |
| Total U.S. Department of Education | | | <u>678,677</u> | <u>595,326</u> |
| U.S. Department of Agriculture— | | | | |
| Passed through the Ohio Department of Education: | | | | |
| Child Nutrition Cluster: | | | | |
| Non-Cash Assistance: | | | | |
| National School Lunch Program— | | | | |
| Entitlement Commodities | 2014 | 10.555 | <u>18,581</u> | <u>18,581</u> |
| Total Non-Cash Assistance | | | 18,581 | 18,581 |
| U.S. Department of Agriculture— | | | | |
| Passed through the Ohio Department of Education: | | | | |
| Child Nutrition Cluster: | | | | |
| Cash Assistance: | | | | |
| National School Breakfast Program | 2013 | 10.553 | 2,235 | - |
| | 2014 | | <u>69,986</u> | <u>73,971</u> |
| | | | 72,221 | 73,971 |
| National School Lunch Program | 2013 | 10.555 | 5,390 | - |
| | 2014 | | <u>222,979</u> | <u>233,465</u> |
| | | | 228,369 | 233,465 |
| Total Cash Assistance | | | <u>300,590</u> | <u>307,436</u> |
| Total U.S. Department of Agriculture | | | <u>319,171</u> | <u>326,017</u> |
| Total | | | <u>\$ 997,848</u> | <u>\$ 921,343</u> |

APEX ACADEMY – CUYAHOGA COUNTY

NOTES TO FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE YEAR ENDED JUNE 30, 2014

A. BASIS OF PRESENTATION

The accompanying supplemental schedule of expenditures of federal awards is presented in accordance with the U.S. Office of Management and Budget Circular A-133 and is prepared using the cash basis of accounting.

B. CHILD NUTRITION CLUSTER

The Academy commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the Academy assumes it expends federal monies first.

C. FOOD DONATION PROGRAM

The Academy reports commodities consumed on the Schedule at the fair value. The Academy allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.



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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S 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*

Apex Academy
Cuyahoga County
16005 Terrace Road
East Cleveland, OH 44112

To the Board of Directors:

We have audited, in accordance with the 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, the basic financial statements of the Apex Academy (the Academy), Cuyahoga County, Ohio, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated January 20, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CANTER & ASSOCIATES

Poland, Ohio

January 20, 2015



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB
CIRCULAR A-133**

Apex Academy
Cuyahoga County
16005 Terrace Road
East Cleveland, OH 44112

To the Board of Directors:

Report on Compliance for The Major Federal Program

We have audited Apex Academy's (the Academy), Cuyahoga County, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the major federal program of Apex Academy for the year ended June 30, 2014. Apex Academy's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the major federal program of Apex Academy based on our audit of the types of compliance requirements referred to above. 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 Apex 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 on compliance for the major federal program. However, our audit does not provide a legal determination of Apex Academy's compliance.

Opinion on The Major Federal Program

In our opinion, Apex Academy, Cuyahoga County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Academy, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Academy's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



CANTER & ASSOCIATES

Poland, Ohio

January 20, 2015

**APEX ACADEMY
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
YEAR ENDED JUNE 30, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|--|--|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | UNMODIFIED |
| <i>(d)(1)(ii)</i> | Were there any material control weaknesses reported at the financial statement level (GAGAS)? | NO |
| <i>(d)(1)(ii)</i> | Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)? | NO |
| <i>(d)(1)(iii)</i> | Was there any reported material noncompliance at the financial statement level (GAGAS)? | NO |
| <i>(d)(1)(iv)</i> | Were there any material internal control weaknesses reported for major federal programs? | NO |
| <i>(d)(1)(iv)</i> | Were there any other significant deficiencies in internal control reported for major federal programs? | NO |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | UNMODIFIED |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under § .510? | NO |
| <i>(d)(1)(vii)</i> | Major Programs (list): | Nutrition Cluster – CFDA's 10.553 and 10.555 |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A\B Programs | Type A: > \$ 300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | Low Risk Auditee? | YES |

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

NONE

3. FINDINGS FOR FEDERAL AWARDS

NONE



Dave Yost • Auditor of State

APEX ACADEMY

CUYAHOGA 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
MAY 7, 2015**