



**APEX ACADEMY  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2012**





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the Apex Academy, Cuyahoga County, prepared by Canter & Associates, for the audit period July 1, 2011 through June 30, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The 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

March 28, 2013

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**APEX ACADEMY  
CUYAHOGA COUNTY**

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## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Directors:

We have audited the accompanying basic financial statements of Apex Academy (the Academy), Cuyahoga County, Ohio, as of and for the year ended June 30, 2012, 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 contract service fees incurred by the Academy which totaled \$6,264,742 as indicated in Note 10 to the basic financial statements. Other auditors audited these amounts and have furnished their report thereon to us and we base our opinion, insofar as it related to the amounts included in Note 10, 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 Standard*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Apex Academy, Cuyahoga County, Ohio, as of June 30, 2012, and the respective 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 February 15, 2013 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential 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.

We conducted our audit to opine on the financial statements that collectively comprise the Academy's basic financial statements taken as a whole. The Federal Awards Receipts and Expenditures Schedule provides additional information 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 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. The Federal Awards Receipts and Expenditures Schedule was subject to the auditing procedures we applied to basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**CANTER & ASSOCIATES**

Poland, Ohio

February 15, 2013



**APEX ACADEMY  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(UNAUDITED)**

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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, 2012. 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, 2012, total assets were \$409,538, total liabilities were \$383,510, and total net assets were \$26,028.

***Using this Financial Report***

This report consists of three parts, the MD&A, the financial statements, and notes to those statements. The 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 Revenues, Expenses and Changes in Net Assets, 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 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 Revenues, Expenses and Changes in Net Assets 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

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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(UNAUDITED)**

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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 assets for fiscal years ended June 30:

	<b>2012</b>	<b>2011</b>
Assets:		
Current assets	\$ 397,307	\$ 541,770
Capital assets, net of accumulated depreciation	<u>12,231</u>	<u>11,604</u>
Total assets	409,538	553,374
Liabilities—current	<u>383,510</u>	<u>526,374</u>
Net assets:		
Invested in capital assets	12,231	11,604
Unrestricted	<u>13,797</u>	<u>15,007</u>
Total net assets	<u>\$ 26,028</u>	<u>\$ 26,611</u>

The unrestricted net assets 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 Assets, which shows the change in net assets.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(UNAUDITED)**

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

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

	<b>2012</b>	<b>2011</b>
Operating revenues:		
Foundation payments	\$ 3,741,319	\$ 4,158,196
Food services	3,068	6,616
Other revenues	<u>10,215</u>	<u>14,927</u>
Total operating revenues	<u>3,754,602</u>	<u>4,179,739</u>
Operating expenses:		
Depreciation	5,682	19,224
Contracted service fee	<u>6,264,742</u>	<u>6,541,830</u>
Total operating expenses	<u>6,270,424</u>	<u>6,561,054</u>
Operating loss	<u>(2,515,822)</u>	<u>(2,381,315)</u>
Nonoperating revenues:		
Federal grants	1,046,874	1,772,459
State grants	96,569	14,178
Private sources - NHA	<u>1,371,796</u>	<u>569,674</u>
Total nonoperating revenues	<u>2,515,239</u>	<u>2,356,311</u>
Change in net assets	<u>\$ (583)</u>	<u>\$ (25,004)</u>

As reported in the Statement of Revenues, Expenses and Changes in Net Assets, the cost of business activities was \$6,270,424. 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. *Revenues — Private sources — NHA* represent a contribution granted by NHA for the excess of Academy expenses over public revenues available.

The Academy experienced a decrease in net assets of \$583 in 2012. Under the terms of the agreement with NHA, NHA provides a spending account to the Board of Directors for discretionary expenditures. The primary reason for the change in net assets is the timing of these discretionary expenditures.

**APEX ACADEMY  
CUYAHOGA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(UNAUDITED)**

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***Capital Assets***

At June 30, 2012, the Academy had \$12,231 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 2013.

***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  
CUYAHOGA COUNTY**

**STATEMENT OF NET ASSETS  
JUNE 30, 2012**

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**CURRENT ASSETS:**

Cash	\$ 4,846
Intergovernmental receivables	<u>392,461</u>
 Total current assets	 <u>397,307</u>

**NON-CURRENT ASSETS:**

Capital assets	211,212
Less: accumulated depreciation	<u>(198,981)</u>
 Total non-current assets	 <u>12,231</u>

Total assets	<u>409,538</u>
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**LIABILITIES:**

Deferred revenue	400
Intergovernmental payables	-
Contracted service fee payable	<u>383,110</u>
 Total liabilities	 <u>383,510</u>

**NET ASSETS:**

Invested in capital assets	12,231
Unrestricted	<u>13,797</u>

<b>TOTAL NET ASSETS</b>	<b><u><u>\$ 26,028</u></u></b>
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See notes to financial statements.

**APEX ACADEMY  
CUYAHOGA COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
JUNE 30, 2012**

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OPERATING REVENUES:	
Foundation payments	\$ 3,741,319
Food services	3,068
Other revenues	<u>10,215</u>
 Total operating revenues	 <u>3,754,602</u>
OPERATING EXPENSES:	
Depreciation	5,682
Contracted service fee	<u>6,264,742</u>
 Total operating expenses	 <u>6,270,424</u>
OPERATING LOSS	<u>(2,515,822)</u>
NONOPERATING REVENUES:	
Federal grants	1,046,874
State grants	96,569
Private sources — NHA	<u>1,371,796</u>
 Total nonoperating revenue	 <u>2,515,239</u>
CHANGE IN NET ASSETS	(583)
NET ASSETS — Beginning of year	<u>26,611</u>
NET ASSETS — End of year	<u><u>\$ 26,028</u></u>

See notes to financial statements.

**APEX ACADEMY  
CUYAHOGA COUNTY**

**STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2012**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from State of Ohio	\$ 3,711,583
Cash received from food services	3,148
Cash received from other operating revenue	10,215
Cash paid on behalf of the Academy for goods and services	<u>(5,036,279)</u>
 Net cash used in operating activities	 <u>(1,311,333)</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES — Purchase of capital assets	<u>(6,309)</u>
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**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Federal grants received	1,213,362
State grants received	<u>94,119</u>
 Net cash provided by noncapital financing activities	 <u>1,307,481</u>

NET DECREASE IN CASH	(10,161)
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CASH — Beginning of year	<u>15,007</u>
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CASH — End of year	<u><u>\$ 4,846</u></u>
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**RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:**

Operating loss	\$ (2,515,822)
Support from private sources — NHA	1,371,796
Depreciation	5,682
Changes in assets and liabilities:	
Change in intergovernmental receivables affecting operating revenue	(29,736)
Change in deferred revenue	80
Change in contracted service fee payable	<u>(143,333)</u>

NET CASH USED IN OPERATING ACTIVITIES	<u><u>\$ (1,311,333)</u></u>
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**NON-CASH ACTIVITY:**

Support from private sources — NHA	<u><u>\$ 1,371,796</u></u>
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See notes to financial statements.

**APEX ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**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 under 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, 2013 at which time it will automatically renew on a year-to-year basis, unless at least 90 days written notice is given by either the Academy or ESCLEW. 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 non-profit 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. 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 which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

The Board 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 facility lease term is from July 1<sup>st</sup> to June 30<sup>th</sup> and is renewable on a year to year basis. The Agreement will continue until termination of the charter contract, inclusive of any charter contract renewal periods, 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. *Revenues — Private sources — NHA* represent a contribution granted by NHA for the excess of Academy expenses over public revenues available.

**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



**APEX ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Accounting Standards Board (“FASB”) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The Academy does not apply FASB statements or interpretations issued after November 30, 1989. The more significant of the Academy’s accounting policies are described below.

**A. Basis of Presentation**

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

**B. Measurement Focus**

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statement of net assets. The statement of revenues, expenses and changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its enterprises activities.

**C. Basis of Accounting**

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

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

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

Expenses are recognized at the time they are incurred.

**APEX ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Budgetary Process**

The contract between the Academy and its Sponsor prescribes an annual budget requirement in addition to preparing a 5-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 5-year forecast, update it annually, and submit it to the Superintendent of Public Instruction at the Ohio Department of Education.

**E. 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.

**F. 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 Assets. Cash as of June 30, 2012, represents bank deposits, which are covered by federal depository insurance.

**G. Capital Assets**

Capital assets, which include equipment, are reported in the government-wide financial statements at historical cost. Capital assets are 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.

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

**H. Current Liabilities**

*Contracted Service Fee Payable* — this amount consists of payments due to NHA for management services rendered in fiscal year 2012.

**I. Operating Revenues and Expenses**

*Intergovernmental Revenues* —the Academy currently participates in the State Foundation Program, the Student 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.

**APEX ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

**J. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At fiscal year end June 30, 2012, the Academy had no restricted net assets.

**3. DEPOSITS AND INVESTMENTS**

At fiscal year end June 30, 2012, the Academy's bank balance was \$5,452. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2012, 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, 2012, consisted of intergovernmental grants. All receivables are considered collectible in full and will be received within one year.

A summary of the principal items of intergovernmental receivables follows:

**APEX ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**4. RECEIVABLES (CONTINUED)**

	<b>Amounts</b>
Title I	\$ 127,111
Race to the Top	110,092
IDEA Flow-Through	62,337
Due from State	29,736
Title I School Improvement	29,156
Title IIA	14,454
National School Lunch and Breakfast	14,356
Title IID	2,769
Entry Level Teacher	<u>2,450</u>
 Total intergovernmental receivables	 <u><u>\$ 392,461</u></u>

**5. CAPITAL ASSETS**

Capital asset activity of the Academy's governmental activities was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Governmental-type activities — other equipment	\$ 204,903	\$ 6,309	\$ -	\$ 211,212
Total capital assets at historical cost	<u>204,903</u>	<u>6,309</u>	<u>-</u>	<u>211,212</u>
Less accumulated depreciation — other equipment	<u>(193,299)</u>	<u>(5,682)</u>	<u>-</u>	<u>(198,981)</u>
Total accumulated depreciation	<u>(193,299)</u>	<u>(5,682)</u>	<u>-</u>	<u>(198,981)</u>
Total governmental type activities capital assets — net	\$ 11,604	\$ 627	\$ -	\$ 12,231

**6. PENSION PLANS**

**A. 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”), a cost-sharing multiple-employer defined benefit pension plan. 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.

**APEX ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**6. PENSION PLANS (CONTINUED)**

That report may be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org), under Employers/Audit Resources.

*Funding Policy* – Plan members were required to contribute 10 percent of their annual covered salary and NHA is required to contribute at an actuarially determined rate. NHA's current rate is 14 percent 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, 2012, 12.65 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The remaining 1.3 percent of the 14 percent 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 percent for plan members and 14 percent 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, 2012, 2011 and 2010, were \$50,189, \$53,309, and \$56,311, respectively; and 100 percent was contributed for each fiscal year.

**B. 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 Ohio STRS' website at [www.strsoh.org](http://www.strsoh.org), under Publications.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account.

Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the

**APEX ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**6. PENSION PLANS (CONTINUED)**

account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years 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 10 percent of their annual covered salaries. NHA was required to contribute 14 percent; 13 percent was used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

NHA's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011 and 2010, were \$227,899, \$244,837, and \$265,909 respectively; 100 percent was contributed for each fiscal year.

**7. POST-EMPLOYMENT BENEFITS**

**A. 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 non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The 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 2012 was \$99.90 for most participants, but could be as high as \$319.70 per month depending on their income 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.

**APEX ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**7. POST-EMPLOYMENT BENEFITS (CONTINUED)**

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](http://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 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2012, 0.55 percent 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 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2012, the actuarially determined amount was \$35,800.

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, 2012, 2011, and 2010 were \$3,416, \$4,347, and \$5,562 respectively, 100 percent 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 B Fund. For fiscal year 2012, the actuarially required allocation is 0.75 percent of covered payroll. NHA's contributions (including surcharge) to the Medicare B Fund for the fiscal years ended June 30, 2012, 2011 and 2010 were \$3,516, \$4,077, and \$3,046 respectively, 100 percent was contributed in each fiscal year.

**B. 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](http://www.strsoh.org), under Publications.

**APEX ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**7. POST-EMPLOYMENT BENEFITS (CONTINUED)**

*Funding Policy* - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the 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 post-employment health care may be deducted from employer contributions. For 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund.

NHA's contributions for health care for the fiscal years ended June 30, 2012, 2011 and 2010 were \$17,531, \$18,834, and \$18,994 respectively; 100 percent 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 Indiana Insurance Company. General liability coverage provides \$1,000,000 per occurrence and \$3,000,000 in the aggregate with no deductible. The Indiana Insurance Company also provides umbrella liability coverage of \$1,000,000 per occurrence, as well as, in the aggregate. There have been no significant reductions in insurance coverage during fiscal year 2012, and claims did not exceed coverageless retained risk deductible amounts during the past three fiscal years.

**9. CONTINGENCIES**

**A. 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.

**B. State Funding**

The Ohio Department of Education conducts reviews of enrollment data and FTE calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The 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 2012, as a result of such a review.



**APEX ACADEMY  
CUYAHOGA COUNTY**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012**

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**10. CONTRACTED SERVICE FEE**

NHA incurred the following actual direct and indirect expenses on behalf of the Academy for the year ended June 30, 2012:

Direct expenses:		
Salaries, wages and benefits	\$	3,052,104
Professional and technical services		505,954
Contracted (trade) services		11,573
Property services		1,090,862
Books, periodicals, films		23,865
Supplies		249,588
Utilities		71,287
Food service		331,304
Travel and training		110,111
Purchases services		57,533
Equipment lease and purchases		116,496
Field trips and student activities		24,082
Insurance and property taxes		<u>13,047</u>
Total Direct Costs		<u>5,657,806</u>
Indirect Costs		<u>606,936</u>
Total		<u>6,264,742</u>

NHA charges expenses benefiting more than one school (i.e. indirect overhead 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. This agreement provides that ESCLEW receives approximately one and a half percent of State Foundation funds received by the Academy from the State of Ohio. This amounted to \$57,533 for fiscal year 2012.

**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, 2011 through June 30, 2012. Annual rental payments required by the lease are \$837,600, payable in twelve monthly payments of \$69,800. This lease is renewable on a year-to-year basis. The Academy subsequently renewed the sublease with NHA for the period of July 1, 2012 through June 30, 2013 at the same rental rate.

**APEX ACADEMY  
CUYAHOGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
YEAR ENDED JUNE 30, 2012**

Federal Grantor/Pass-Through Grantor/Program Title	Grant Year	Federal CFDA Number	Receipts	Disbursements
<b>U.S. Department of Education—</b>				
Passed through the Ohio Department of Education:				
Title I Cluster - Grants to Local Educational Agencies	2011	84.010	\$96,794	\$51,707
	2012		<u>364,167</u>	<u>568,029</u>
Subtotal Title I Grants to Local Educational Agencies			460,961	619,736
ARRA Title I Grants to Local Educational Agencies	2011	84.389	<u>135</u>	<u>135</u>
ARRA Title I School Improvement	2011	84.389	<u>60,000</u>	<u>21,115</u>
<b>Total Title I Cluster</b>			<b>521,096</b>	<b>640,986</b>
Title I School Improvement (sub A)	2011	84.377	31,813	26,087
	2012		<u>25,843</u>	<u>26,747</u>
Subtotal Title I School Improvement (sub A)			<b>57,656</b>	<b>52,834</b>
Title IIA Improving Teacher Quality	2011	84.367	3,997	8,211
Race to the Top	2011	84.395A	27,594	-
Race to the Top	2012		98,416	185,352
RtT - Resident Educator	2012		<u>-</u>	<u>2,450</u>
<b>Total Race to the Top</b>			<b>126,010</b>	<b>187,802</b>
Special Education Cluster—				
IDEA Part B	2011	84.027	26,867	9
	2012		<u>98,398</u>	<u>148,874</u>
			125,265	148,883
ARRA IDEA Part E	2011	84.391	<u>57,585</u>	<u>49,284</u>
ARRA IDEA Preschool	2011	84.392	<u>6,658</u>	<u>6,658</u>
<b>Total Special Education Cluster</b>			<b>189,508</b>	<b>204,825</b>
<b>Total U.S. Department of Education</b>			<b>898,267</b>	<b>1,094,658</b>
<b>U.S. Department of Agriculture—</b>				
Passed through the Ohio Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance:				
National School Lunch Program— Entitlement Commodities	2012	10.555	<u>19,544</u>	<u>19,544</u>
Cash Assistance:				
National School Breakfast Program	2011	10.553	1,831	-
	2012		<u>86,302</u>	<u>90,829</u>
Subtotal National Breakfast Program			88,133	90,829
National School Lunch Program	2010	10.555	3,984	-
	2011		<u>207,640</u>	<u>217,469</u>
Subtotal National Lunch Program			211,624	217,469
<b>Total Child Nutrition Cluster</b>			<b>319,301</b>	<b>327,842</b>
<b>Total U.S. Department of Agriculture</b>			<b>319,301</b>	<b>327,842</b>
<b>Total</b>			<b>\$ 1,217,568</b>	<b>\$ 1,422,500</b>

See note to supplemental schedule of expenditures of federal awards.

**CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2012**

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**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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**INDEPENDENT ACCOUNTANTS' 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 the basic financial statements of Apex Academy (the Academy), Cuyahoga County, Ohio as of and for the year ended June 30, 2012, and have issued our report thereon dated February 15, 2013. 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. Other auditors audited the amounts presented in Note 10 in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards* and accordingly this report does not extend to the amounts presented in Note 10.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Academy's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Academy's financial statements will not be prevented, or detected and timely corrected.

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

### **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*.

We intend this report solely for the information and use of the audit committee, management, Board of Directors, the Community School's sponsor, and federal awarding agencies and pass-through entities, and others within the Academy. We intend it for no one other than these specified parties.



**CANTER & ASSOCIATES**

Poland, Ohio

February 15, 2013



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

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

To the Board of Directors:

**Compliance**

We have audited the compliance of the Apex Academy (the Academy), Cuyahoga County, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could directly and materially affect each of Apex Academy's major federal programs for the year ended June 30, 2012. The *summary of auditor's results* section of the accompanying schedule of findings identifies the Academy's major federal programs. The Academy's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs. Our responsibility is to express an opinion on the Academy's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure about whether noncompliance occurred with the 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 these 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 these requirements.

In our opinion, the Apex Academy, Cuyahoga County, complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2012.

**Internal Control Over Compliance**

The Academy's management is responsible for establishing and maintaining effective internal control over compliance with the 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 opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Academy's internal control over compliance.

Apex Academy

Independent Accountants' Report On Compliance With Requirements That Could Have

A Direct And Material Effect On Each Major Federal Program And On Internal Control Over  
Compliance In Accordance With OMB Circular A-133

PAGE 2

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *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 federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We intend this report solely for the information and use of audit committee, management, the Board of Directors, the Community School's sponsor, others within the Academy, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



**CANTER & ASSOCIATES**

Poland, Ohio

February 15, 2013

**APEX ACADEMY  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
YEAR ENDED JUNE 30, 2012**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	UNQUALIFIED
<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	UNQUALIFIED
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	NO
<i>(d)(1)(vii)</i>	Major Programs (list):	Title 1 Cluster – Grants to Local Educational Agencies – CFDA's 84.010 & 84.389; Race to the Top – CFDA 84.395
<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?	NO

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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NONE

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

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  
APRIL 9, 2013**