

**NORTHEAST OHIO MANAGEMENT
INFORMATION NETWORK
TRUMBULL COUNTY
Regular Audit
For the Years Ended June 30, 2013 and 2012**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Governing Board
Northeast Ohio Management Information Network
6000 Youngstown – Warren Road
Niles, OH 44446

We have reviewed the *Independent Auditor's Report* of the Northeast Ohio Management Information Network, Trumbull County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2011 through June 30, 2013. 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 Northeast Ohio Management Information Network is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

December 9, 2013

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**NORTHEAST OHIO MANAGEMENT INFORMATION NETWORK
TRUMBULL COUNTY**

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INDEPENDENT AUDITOR'S REPORT

October 25, 2013

Northeast Ohio Management Information Network
Trumbull County
6000 Youngstown – Warren Road
Niles, OH 44446

To the Governing Board:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the **Northeast Ohio Management Information Network**, Trumbull County, Ohio (NEOMIN) as of and for the years ended June 30, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fair presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to NEOMIN's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of NEOMIN's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1B of the financial statements, NEOMIN prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of NEOMIN as of June 30, 2013 and 2012, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Northeast Ohio Management Information Network, Trumbull County as of June 30, 2013 and 2012, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1B.

Emphasis of Matter

As discussed in Note 1B to the financial statements, during 2012, NEOMIN has elected to change its financial presentation from a presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* to a presentation reflecting use of the Auditor of State's Regulatory Accounting Basis. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2013, on our consideration of NEOMIN'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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 NEOMIN's internal control over financial reporting and compliance.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**NORTHEAST OHIO MANAGEMENT INFORMATION NETWORK
TRUMBULL COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE (CASH BASIS)
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

Operating Cash Receipts:	
Charges for Services	\$ 1,504,470
Miscellaneous	85,599
	<hr/>
Total Operating Cash Receipts	1,590,069
	<hr/>
Operating Cash Disbursements:	
Personal Services	649,689
Employee Fringe Benefits	276,251
Contractual Services	456,183
Supplies and Materials	231,555
Other	87,987
	<hr/>
Total Operating Cash Disbursements	1,701,665
	<hr/>
Operating (Loss)	(111,596)
	<hr/>
Non-Operating Receipts (Disbursements):	
Intergovernmental	239,337
Earnings on Investments	5,200
Capital Outlay	(51,837)
	<hr/>
Total Non-Operating Receipts (Disbursements)	192,700
	<hr/>
<i>Net Change in Fund Cash Balance</i>	81,104
	<hr/>
<i>Fund Cash Balance, January 1</i>	1,757,528
	<hr/>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ 1,838,632</u></u>

The notes to the financial statements are an integral part of this statement.

**NORTHEAST OHIO MANAGEMENT INFORMATION NETWORK
TRUMBULL COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE (CASH BASIS)
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2012**

Operating Cash Receipts:	
Charges for Services	\$ 1,473,583
	<hr/>
Total Operating Cash Receipts	1,473,583
	<hr/>
Operating Cash Disbursements:	
Personal Services	647,923
Employee Fringe Benefits	273,866
Contractual Services	516,617
Supplies and Materials	162,615
Other	79,121
	<hr/>
Total Operating Cash Disbursements	1,680,142
	<hr/>
Operating (Loss)	(206,559)
	<hr/>
Non-Operating Receipts (Disbursements):	
Intergovernmental	218,559
Earnings on Investments	8,721
Capital Outlay	(78,045)
	<hr/>
Total Non-Operating Receipts (Disbursements)	149,235
	<hr/>
<i>Net Change in Fund Cash Balance</i>	(57,324)
	<hr/>
<i>Fund Cash Balance, January 1</i>	1,814,852
	<hr/>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ 1,757,528</u></u>

The notes to the financial statements are an integral part of this statement.

**NORTHEAST OHIO MANAGEMENT INFORMATION NETWORK
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Northeast Ohio Management Information Network (NEOMIN), Trumbull County, is a jointly governed organization among twenty-nine school districts and two educational Service Centers. The organization was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to the administrative and instructional functions among member districts. Each of the districts supports NEOMIN based upon a per pupil charge.

Superintendents and treasurers of the participating school districts are eligible to be voting members of the Governing Board, which consists of ten members; the superintendents of both Ashtabula and Trumbull County Educational Service Centers, three superintendents from Ashtabula County school districts, three superintendents from Trumbull County school districts, and one Treasurer from each county. The treasurer of the Fiscal Agent is a non-voting member. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. The Trumbull County Educational Services Center, ("ESC") serves as fiscal agent for NEOMIN.

NEOMIN is a member of the Ohio Education Computer Network (OECN). The OECN develops and maintains fiscal and EMIS software that is used statewide by the Ohio school districts. In 1979, the Ohio State Assembly established the Ohio Education Computer Network (OECN). Through the Management Council of the OECN, Information Technology Centers (ITC's) were formed to:

- provide quality cost-effective technology services
- ensure the consistent delivery of comprehensive educational services to Ohio's K-12 schools

NEOMIN is wholly owned by its member districts and is governed by a Board of Directors (member Superintendents).

NEOMIN offers five core services to its school districts:

- Library Components and Support
- Fiscal Services
- Student Services
- Network Support
- System Support

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. NEOMIN recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**NORTHEAST OHIO MANAGEMENT INFORMATION NETWORK
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Accounting Basis (Continued)

Change in Basis of Accounting

Last audit period NEOMIN presented financial statements on the cash basis of accounting. The fund financial statements presented each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type. This audit period NEOMIN has elected to report fund financial statements by fund type using the regulatory basis of accounting as prescribed by the Auditor of State's office.

C. Deposits and Investments with Fiscal Agents

In accordance with the Ohio Revised Code, and the agreement between NEOMIN and the ESC, NEOMIN's deposits and investments are held and invested by the Treasurer of the ESC, who acts as a custodian for NEOMIN's monies. NEOMIN's monies are held in the ESC's deposit and investment pool and are valued at the ESC's reported carrying amount.

D. Fund Accounting

NEOMIN maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet needs of the government entities in which legal or other restraints require the recording of specific receipts and disbursements. NEOMIN uses an enterprise fund to account for its operations.

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of receipts, disbursements, and/or change in net cash assets is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Operating receipts are those revenues that are generated directly from the primary activity of NEOMIN. Operating disbursements are necessary costs incurred to provide service that is the primary activity of NEOMIN. All receipts and disbursements not meeting this definition are reported as non-operating.

E. Budgetary Process

NEOMIN is not required to follow the budgetary process, but has decided to adopt a formal budget annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control. The Board annually approves appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of July 1.

**NORTHEAST OHIO MANAGEMENT INFORMATION NETWORK
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Encumbrances

NEOMIN reserves (encumbers) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

NEOMIN records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. The financial statements do not include a liability for unpaid leave.

H. Employer Contributions to Cost-Sharing Pension Plans

NEOMIN recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 4 and 5, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Intergovernmental Receipts

Grants and entitlements are recognized as non-operating receipts in the accounting period in which the money is received. NEOMIN received \$239,337 in 2013 and \$218,559 in 2012.

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Treasurer of the ESC is the statutory fiscal officer for NEOMIN. The ESC maintains a deposit and investments pool all funds use. The financial institution maintains records identifying the ESC as owner of these securities.

The carrying amount of deposits and investments at June 30, 2013 and 2012 on deposit with the ESC was as follows:

	2013	2012
Demand deposits and investments on deposit with the fiscal agent	\$ 1,838,632	\$ 1,757,528

The fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

**NORTHEAST OHIO MANAGEMENT INFORMATION NETWORK
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012
(Continued)**

3. BUDGETARY ACTIVITY

NEOMIN is not required to follow the budgetary process, but has decided to adopt a formal budget annually through the ESC. Budgetary activity for the years ended June 30, 2013 and 2012 follows:

<u>2013</u>	Final Budget	Actual	Variance
Revenue	\$ 1,845,606	\$ 1,834,606	\$ (11,000)
Expenditures *	1,961,735	1,753,502	208,233
<u>2012</u>			
Revenue	1,607,152	1,700,863	93,711
Expenditures *	2,275,701	1,761,391	514,310

*- Budgeted expenditures include prior year encumbrances and actual expenditures include current year encumbrances

4. DEFINED BENEFIT PENSION PLANS

Plan Description – NEOMIN contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be on SERS’ website at www.ohsers.org under *Employers/Audit Resources*.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and NEOMIN is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS’ Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ended June 30, 2013, the allocation to pension and death benefits is 13.1%. The remaining 0.9% of the 14% employer contribution rate is allocated to Health Care and Medicare B Fund. NEOMIN has paid all contributions required for the fiscal years ended June 30, 2013, 2012 and 2011.

5. POSTEMPLOYMENT BENEFITS

In addition to a cost-sharing multiple-employer defined benefit pension plan, SERS administers two postemployment benefit plans.

Medicare Part B Plan – The Medicare Part B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month, depending on their income. SERS’ reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2013, the actuarially required allocation is 0.74%. NEOMIN has paid all contributions required for the fiscal years ended June 30, 2013, 2012 and 2011.

**NORTHEAST OHIO MANAGEMENT INFORMATION NETWORK
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012
(Continued)**

5. POSTEMPLOYMENT BENEFITS (Continued)

Health Care Plan – ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including 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 ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2013, the health care allocation is 0.16%. 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% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the minimum compensation level was established at \$20,525. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. NEOMIN has paid all contributions required for the fiscal years ended June 30, 2013, 2012 and 2011.

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

The financial reports of SERS' Health Care and Medicare B plans are included in its Comprehensive Annual Financial Report. The report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

6. RISK MANAGEMENT

A. Commercial Insurance

NEOMIN is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Claims have not exceeded insurance coverage in each of the past three years. There has been no significant reduction in insurance coverage from the previous year.

B. Employee Medical/Surgical and Dental Insurance

The Trumbull County Educational ESC ("ESC"), as the fiscal agent for NEOMIN, has contracted with Trumbull County School Employee Insurance Benefits Consortium (the "Consortium") to provide employee medical/surgical and dental benefits. The Consortium is a shared risk pool comprised of sixteen Trumbull County school districts and the ESC. The ESC is fiscal agent for the Consortium. Rates are set through an annual calculation process. The ESC pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The Executive Committee of the Consortium has the right to return monies to an exiting district subsequent to the settlements of all expenses and claims.

**NORTHEAST OHIO MANAGEMENT INFORMATION NETWORK
TRUMBULL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012
(Continued)**

6. RISK MANAGEMENT(Continued)

B. Employee Medical/Surgical and Dental Insurance

Premiums are as follows:

Carrier	2013		2012	
	Single	Family	Single	Family
Medical Mutual PPO	\$ 531.36	\$ 1,382.05	\$ 531.36	\$ 1,382.05
Dental	27.87	87.24	28.44	89.02
Life (\$50,000 coverage)	4.75	4.75	4.75	4.75

Effective January 1, 2012, the NEOMIN Governing Board pays 90% of the medical, dental and life insurance premium while employees pay 10%.

7. LEASE-PURCHASE AGREEMENT

During fiscal year 2013, Trumbull County ESC entered into a lease-purchase agreement on behalf of NEOMIN, in connection with obtaining computer equipment. The lease-purchase agreement is collateralized by the equipment. Revenues of NEOMIN are pledged to repay this agreement. The following represents amounts outstanding at June 30, 2013:

	<u>Principal</u>	Interest Rate
Key Government Finance, Inc.	<u>\$ 38,311</u>	3.653%

Amortization of the above lease-purchase agreement, including interest, is scheduled as follows:

Year Ending June 30,	Key Government Finance, Inc.
2014	\$ 9,903
2015	9,903
2016	9,903
2017	9,903
	<u>\$ 39,612</u>

8. OPERATING LEASE

NEOMIN leased office space under an agreement with terms of five years beginning July 1, 2006 and expiring June 30, 2011. The lease was extended for another five years beginning July 1, 2011 and expiring June 30, 2016. Rent expense for fiscal years 2013 and 2012 was \$36,400 and \$18,200, respectively.

Minimum annual rents are as follows:

Year Ending June 30,	Building Lease
2014	\$ 34,000
2015	34,000
2016	34,000
	<u>\$ 102,000</u>

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Certified Public Accountants, A.C.

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

October 25, 2013

Northeast Ohio Management Information Network
Trumbull County
6000 Youngstown-Warren Road
Niles, OH 44446

To the Governing Board:

We have audited in accordance with auditing standards generally accepted in the United State and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the **Northeast Ohio Management Information Network**, Trumbull County, Ohio, (NEOMIN) as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated October 25, 2013, wherein we noted NEOMIN followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered NEOMIN's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of NEOMIN's internal control. Accordingly, we have not opined on it.

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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Government's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether NEOMIN'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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of NEOMIN's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering NEOMIN's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

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Dave Yost • Auditor of State

NORTHEAST OHIO MANAGEMENT INFORMATION NETWORK (NEOMIN)

TRUMBULL 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
DECEMBER 19, 2013**