



Dave Yost • Auditor of State

**NORTHEAST OHIO MANAGEMENT INFORMATION NETWORK
TRUMBULL COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Basic Financial Statements:	
Statement of Receipts, Disbursements and Change in Fund Balance – Regulatory Cash Basis For the Fiscal Year Ended June 30, 2017	3
Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2017	5
Statement of Receipts, Disbursements and Change in Fund Balance – Regulatory Cash Basis For the Fiscal Year Ended June 30, 2016.....	11
Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2016	13
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	19

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INDEPENDENT AUDITOR'S REPORT

Northeast Ohio Management Information Network
Trumbull County
528 Educational Highway
Warren, Ohio 44483

To the Members of the Assembly and Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements, and related notes of the Northeast Ohio Management Information Network, Trumbull County, Ohio (NEOMIN) as of and for the years ended June 30, 2017 and 2016.

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 Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly 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 such 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 2 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(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though NEOMIN does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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, 2017 and 2016, and the respective changes in financial position 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, receipts and disbursements, and related notes of Northeast Ohio Management Information Network, Trumbull County as of June 30, 2017 and 2016, 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(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2018, 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.



Dave Yost
Auditor of State
Columbus, Ohio

May 31, 2018

Northeast Ohio Management Information Network

Trumbull County

Statement of Receipts, Disbursements

and Change in Fund Balance (Regulatory Cash Basis)

Proprietary Fund Type

For the Year Ended June 30, 2017

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$1,815,319
<i>Total Operating Cash Receipts</i>	<u>1,815,319</u>
Operating Cash Disbursements	
Salaries	710,352
Employee Fringe Benefits	289,995
Purchased and Contracted Services	1,221,895
Supplies and Materials	492,277
Other	112,290
<i>Total Operating Cash Disbursements</i>	<u>2,826,809</u>
<i>Operating (Loss)</i>	<u>(1,011,490)</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental	1,018,647
Earnings on Investments	6,988
Capital Outlay	(66,904)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>958,731</u>
<i>Net Change in Fund Cash Balances</i>	(52,759)
<i>Fund Cash Balances, July 1</i>	<u>1,266,214</u>
<i>Fund Cash Balances, June 30</i>	<u><u>\$1,213,455</u></u>

See accompanying notes to the basic financial statements

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NEOMIN
NORTHEAST OHIO MANAGEMENT INFORMATION SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 - DESCRIPTION OF THE CONSORTIUM

NEOMIN, Trumbull County, is a cooperative group of school districts as defined by ORC 3313.92. The cooperative is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Governing Body of the Consortium is an Assembly composed of the Superintendents and Treasurers of the members and any other representative of members who have been appointed by the respective governing bodies of the members. All representatives shall serve without compensation. As of June 30, 2017, there were 62 participating members of the Consortium. There are 5 non-public school districts that are provided internet access only and are not voting members. The Governing Board (Executive Board) shall function as the advisory body to the Assembly. It shall consist of ten representatives of the members, three of whom shall be appointed by the President of the Trumbull County Superintendent's Association, three of whom shall be appointed by the President of the Ashtabula County Superintendent's Association, one appointed by the Trumbull County Treasurers' Association and one appointed by the Ashtabula County Treasurers' Association and the ninth and tenth are the Trumbull County Superintendent and the Ashtabula County Superintendent. The Trumbull County Educational Service Center shall serve as the Consortium's fiscal agent and the Treasurer of NEOMIN shall be the Treasurer of the Fiscal Agent. NEOMIN purpose is to improve the delivery of instructional and administrative functions and to make optimum use of public funds through cooperation of member school districts.

NEOMIN's management believes these basic financial statements present all activities for which the Consortium is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-203(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

Fund Accounting

NEOMIN uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Consortium are presented below:

Basis of Accounting

NEOMIN maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of government entities in which legal or other restraints require the recording of specific receipts and disbursements. NEOMIN uses an enterprise fund to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for public policy, management control, accountability or other purposes.

**NEOMIN
NORTHEAST OHIO MANAGEMENT INFORMATION SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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.

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 2017 budgetary activity appears in Note 4.

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, 2017 on deposit with the ESC was as follows:

Demand deposits and investments on deposit with the fiscal agent \$ 1,213,455.00

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.

Capital Assets

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

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.

NOTE 3 – COMPLIANCE

There are no material budgetary violations.

**NEOMIN
NORTHEAST OHIO MANAGEMENT INFORMATION SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 4 – BUDGETARY ACTIVITY

2017 Budgeted vs Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
Enterprise	\$3,064,267.00	\$2,840,954.75	(\$223,312.25)

2017 Budgeted vs Actual Expenditures

Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
Enterprise	\$3,260,005.00	\$2,893,713.54	\$366,291.46

NOTE 5 – DEPOSITS AND INVESTMENTS

Deposits The Fiscal Agent maintains all deposits.

Investments The Fiscal Agent maintains all investments.

NOTE 6 – RISK MANAGEMENT

Workers' Compensation coverage is provided by the State of Ohio. Neomin pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

Commercial Insurance

Neomin has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**NEOMIN
NORTHEAST OHIO MANAGEMENT INFORMATION SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Employee Medical/Surgical, Dental and Life 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.

Life insurance of \$50,000 is provided through the Consortium with Voya Financial Services.

Monthly premiums are as follows for 2017:

PPO 1 – Family	\$1,423.51	Single	- \$547.30
PPO 2 – Family	\$1,278.07	Single	- \$491.20
Dental – Family	\$81.65	Single	- \$26.08
Life - All Employees	\$5.75		

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

NOTE 7 – DEFINED BENEFIT PENSION PLANS

Neomin’s employees belong to the State Employees Retirement System (SERS). SERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. SERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants’ gross salaries. Neomin has paid all contributions required through June 30, 2017.

NOTE 8 – POST EMPLOYMENT BENEFITS

None

**NEOMIN
NORTHEAST OHIO MANAGEMENT INFORMATION SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 9 – LEASES

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. A one-year extension was approved until June 30, 2017. Rent expense for fiscal year 2017 \$36,400.

Lease/Purchase Agreements

Neomin has entered into Lease/Purchase agreements on behalf of participating districts and paid for by those districts, as follows:

1. June 16, 2014 - \$33,908.25

Pymt No	Pymt Due D.	Neomin Pymt	Principal	Interest	Balance
1	7/15/2014	\$ 12,308.94	\$ 12,079.36	\$ 229.58	\$ 23,528.91
2	7/15/2015	\$ 12,308.94	\$ 10,474.27	\$ 1,834.67	\$ 11,942.31
3	7/15/2016	\$ 12,308.94	\$ 11,354.62	\$ 954.32	\$ -

2. July 15, 2014 - \$31,551.25

Pymt No	Pymt Due Date	Neomin Pymt	Principal	Interest	Balance
1	7/15/2014	\$ 12,308.94	\$ 229.58	\$ 12,079.36	\$ 23,528.91
2	7/15/2015	\$ 12,308.94	\$ 1,834.67	\$ 10,474.27	\$ 11,942.31
3	7/15/2016	\$ 12,308.94	\$ 954.32	\$ 11,354.62	\$ -

3. July 25, 2014 - \$183,361.29

Pymt No	Pymt Due Date	Cisco Pymt	Neomin Pymt	Principal	Interest	Balance
1	7/25/2014	\$ 2,717.71	\$ -	\$ 2,717.71		\$ 186,062.89
2	10/25/2014		\$ 47,329.81	\$ 46,103.31	\$ 1,226.50	\$ 138,576.48
3	10/25/2015		\$ 47,329.81	\$ 43,638.53	\$ 3,691.28	\$ 93,628.79
4	10/25/2016		\$ 47,329.81	\$ 44,835.81	\$ 2,494.00	\$ 47,447.91
5	10/25/2017		\$ 47,329.81	\$ 46,065.93	\$ 1,263.88	\$ -

4. May 20, 2015 - \$168,345.00

Pymt No	Pymt Due Date	Neomin Pymt	Principal	Interest	Balance
1	7/17/2015	\$ 61,333.26	\$ 59,134.05	\$ 2,199.21	\$ 118,716.72
2	7/17/2016	\$ 61,333.26	\$ 52,477.89	\$ 8,855.37	\$ 60,007.10
3	7/17/2017	\$ 61,333.26	\$ 56,733.06	\$ 4,600.20	\$ -

**NEOMIN
NORTHEAST OHIO MANAGEMENT INFORMATION SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

5. March 1, 2016 -\$55,031.00

Pymt No	Pymt Due Date	Neomin Pymt	Principal	Interest	Balance
1	Closing	\$ 20,120.70	\$ 20,120.70		\$ 38,561.42
2	2/1/2017	\$ 20,120.70	\$ 16,697.43	\$ 3,423.27	\$ 19,530.87
3	2/1/2018	\$ 20,120.70	\$ 18,212.87	\$ 1,907.83	\$ -

Northeast Ohio Management Information Network

Trumbull County

Statement of Receipts, Disbursements

and Change in Fund Balance (Regulatory Cash Basis)

Proprietary Fund Type

For the Year Ended June 30, 2016

	Enterprise
Operating Cash Receipts	
Charges for Services	\$1,520,612
Miscellaneous	333
<i>Total Operating Cash Receipts</i>	<u>1,520,945</u>
Operating Cash Disbursements	
Salaries	695,946
Employee Fringe Benefits	287,844
Purchased and Contracted Services	898,040
Supplies and Materials	445,243
Other	113,268
<i>Total Operating Cash Disbursements</i>	<u>2,440,341</u>
<i>Operating (Loss)</i>	<u>(919,396)</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental	874,317
Earnings on Investments	5,801
Capital Outlay	(65,569)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>814,549</u>
<i>Net Change in Fund Cash Balances</i>	(104,847)
<i>Fund Cash Balances, July 1</i>	<u>1,371,061</u>
<i>Fund Cash Balances, June 30</i>	<u><u>\$1,266,214</u></u>

See accompanying notes to the basic financial statements

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NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 - DESCRIPTION OF THE CONSORTIUM

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The Governing Body of the Consortium is an Assembly composed of the Superintendents and Treasurers of the members and any other representative of members who have been appointed by the respective governing bodies of the members. All representatives shall serve without compensation. As of June 30, 2016, there were 62 participating members of the Consortium. There are 5 non-public school districts that are provided internet access only and are not voting members. The Governing Board (Executive Board) shall function as the advisory body to the Assembly. It shall consist of ten representatives of the members, three of whom shall be appointed by the President of the Trumbull County Superintendent's Association, three of whom shall be appointed by the President of the Ashtabula County Superintendent's Association, one appointed by the Trumbull County Treasurers' Association and one appointed by the Ashtabula County Treasurers' Association and the ninth and tenth are the Trumbull County Superintendent and the Ashtabula County Superintendent. The Trumbull County Educational Service Center shall serve as the Consortium's fiscal agent and the Treasurer of NEOMIN shall be the Treasurer of the Fiscal Agent. NEOMIN purpose is to improve the delivery of instructional and administrative functions and to make optimum use of public funds through cooperation of member school districts.

NEOMIN's management believes these basic financial statements present all activities for which the Consortium is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-203(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

Fund Accounting

NEOMIN uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Consortium are presented below:

Basis of Accounting

NEOMIN maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of government entities in which legal or other restraints require the recording of specific receipts and disbursements. NEOMIN uses an enterprise fund to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for public policy, management control, accountability or other purposes.

NEOMIN
NORTHEAST OHIO MANAGEMENT INFORMATION SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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.

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 2016 budgetary activity appears in Note 4.

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, 2016 on deposit with the ESC was as follows:

Demand deposits and investments on deposit with the fiscal agent \$ 1,266,214

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.

Capital Assets

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

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.

NOTE 3 – COMPLIANCE

There are no material budgetary violations.

**NEOMIN
NORTHEAST OHIO MANAGEMENT INFORMATION SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4 – BUDGETARY ACTIVITY

2016 Budgeted vs Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
Enterprise	\$2,342,259.00	\$2,401,063.51	\$58,804.51

2016 Budgeted vs Actual Expenditures

Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
Enterprise	\$2,571,712.99	\$2,505,910.32	\$65,802.67

NOTE 5 – DEPOSITS AND INVESTMENTS

Deposits The Fiscal Agent maintains all deposits.

Investments The Fiscal Agent maintains all investments.

NEOMIN
NORTHEAST OHIO MANAGEMENT INFORMATION SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 6 – RISK MANAGEMENT

Workers' Compensation coverage is provided by the State of Ohio. Neomin pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

Commercial Insurance

Neomin has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Employee Medical/Surgical, Dental and Life 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.

Life insurance of \$50,000 is provided through the Consortium with Voya Financial Services.

Monthly premiums are as follows for 2016:

PPO 1 – Family \$1,382.05	Single - \$531.36
PPO 2 – Family \$1,240.84	Single - \$476.89
Dental – Family \$71.67	Single - \$22.89
Life - All Employees \$5.75	

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

NOTE 7 – DEFINED BENEFIT PENSION PLANS

Neomin's employees belong to the State Employees Retirement System (SERS). SERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. SERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants' gross salaries. Neomin has paid all contributions required through June 30, 2016.

NOTE 8 – POST EMPLOYMENT BENEFITS

None

**NEOMIN
NORTHEAST OHIO MANAGEMENT INFORMATION SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 9 – LEASES

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 year 2016 \$36,400.

Lease/Purchase Agreements

Neomin has entered into Lease/Purchase agreements on behalf of participating districts and paid for by those districts, as follows:

1. April 15, 2013 - \$38,925.45

Pymt No	Pymt Due Date	Cisco Pymt	Neomin Pymt	Principal	Interest	Balance
1	4/15/2013	\$ 1,730.00		\$ 1,730.00		\$ 38,311.31
2	7/15/2013		\$ 9,903.48	\$ 9,562.78	\$ 340.70	\$ 28,461.65
3	7/15/2014	\$ 9,903.48	\$ 9,903.48	\$ 8,877.07	\$ 1,026.41	\$ 19,318.27
4	7/15/2015		\$ 9,903.48	\$ 9,206.81	\$ 696.67	\$ 9,835.26
5	7/15/2016		\$ 9,903.48	\$ 9,548.79	\$ 354.69	\$ -

2. June 16, 2014 - \$33,908.25

Pymt No	Pymt Due Date	Neomin Pymt	Principal	Interest	Balance
1	7/15/2014	\$ 12,308.94	\$ 12,079.36	\$ 229.58	\$ 23,528.91
2	7/15/2015	\$ 12,308.94	\$ 10,474.27	\$ 1,834.67	\$ 11,942.31
3	7/15/2016	\$ 12,308.94	\$ 11,354.62	\$ 954.32	\$ -

3. July 15, 2014 - \$31,551.25

Pymt No	Pymt Due Date	Neomin Pymt	Principal	Interest	Balance
1	7/15/2014	\$ 12,308.94	\$ 229.58	\$ 12,079.36	\$ 23,528.91
2	7/15/2015	\$ 12,308.94	\$ 1,834.67	\$ 10,474.27	\$ 11,942.31
3	7/15/2016	\$ 12,308.94	\$ 954.32	\$ 11,354.62	\$ -

4. July 25, 2014 - \$183,361.29

Pymt No	Pymt Due Date	Cisco Pymt	Neomin Pymt	Principal	Interest	Balance
1	7/25/2014	\$ 2,717.71	\$ -	\$ 2,717.71		\$ 186,062.89
2	10/25/2014		\$ 47,329.81	\$ 46,103.31	\$ 1,226.50	\$ 138,576.48
3	10/25/2015		\$ 47,329.81	\$ 43,638.53	\$ 3,691.28	\$ 93,628.79
4	10/25/2016		\$ 47,329.81	\$ 44,835.81	\$ 2,494.00	\$ 47,447.91
5	10/25/2017		\$ 47,329.81	\$ 46,065.93	\$ 1,263.88	\$ -

**NEOMIN
NORTHEAST OHIO MANAGEMENT INFORMATION SYSTEM
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Lease/Purchase Agreements(con'd)

5. May 20, 2015 - \$168,345.00

Pymt No	Pymt Due Date	Neomin Pymt	Principal	Interest	Balance
1	7/17/2015	\$ 61,333.26	\$ 59,134.05	\$ 2,199.21	\$ 118,716.72
2	7/17/2016	\$ 61,333.26	\$ 52,477.89	\$ 8,855.37	\$ 60,007.10
3	7/17/2017	\$ 61,333.26	\$ 56,733.06	\$ 4,600.20	\$ -

6. March 1, 2016 -\$55,031.00

Pymt No	Pymt Due Date	Neomin Pymt	Principal	Interest	Balance
1	Closing	\$ 20,120.70	\$ 20,120.70		\$ 38,561.42
2	2/1/2017	\$ 20,120.70	\$ 16,697.43	\$ 3,423.27	\$ 19,530.87
3	2/1/2018	\$ 20,120.70	\$ 18,212.87	\$ 1,907.83	\$ -



Dave Yost • Auditor of State

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

Northeast Ohio Management Information Network
Trumbull County
528 Educational Highway
Warren, Ohio 44483

To the Members of the Assembly and Board of Directors:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements of the Northeast Ohio Management Information Network, Trumbull County, Ohio (NEOMIN) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated May 31, 2018, wherein we noted NEOMIN followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered '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 '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 NEOMIN'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 report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State
Columbus, Ohio

May 31, 2018



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
JULY 5, 2018**