



Dave Yost • Auditor of State

**NORTHMONT SECONDARY ACADEMY
MONTGOMERY COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Northmont Secondary Academy
Montgomery County
4001 Old Salem Road
Englewood, Ohio 45322

To the Board of Directors:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 the Academy's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Academy'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 overall financial statement presentation.

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

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2015, 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. 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 the Academy's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

March 9, 2015

**Northmont Secondary Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

The management's discussion and analysis of the Northmont Secondary Academy's (the "Academy") financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

Certain comparative information between the current fiscal year and prior fiscal year is required to be presented in the management's discussion and analysis. However, because this is the first fiscal year of financial reporting for the Academy, comparative prior fiscal year information does not exist. Subsequent reports will include comparative information.

Financial Highlights

Key financial highlights for 2014 are as follows:

- In total, net position was \$11,808 at June 30, 2014.
- The Academy had operating revenues of \$236,749 and operating expenses of \$225,837 for fiscal year 2014. The Academy's operating income for the fiscal year was \$10,912.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Academy's financial activities. The *statement of net position* and *statement of revenues, expenses and changes in net position* provide information about the activities of the Academy, including all short-term and long-term financial resources and obligations.

Reporting the Academy Financial Activities

Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows

These documents look at all financial transactions and ask the question, "How did we do financially during 2014?" The statement of net position and the statement of revenues, expenses and changes in net position answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Academy's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the Academy as a whole, the *financial position* of the Academy has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

The statement of cash flows reflects how the Academy finances and meets cash flow needs.

**Northmont Secondary Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

The Academy as a Whole

As stated previously, the statement of net position provides the perspective of the Academy as a whole. Table 1 provides a summary of the Academy's net position for 2014.

**Table 1
Net Position**

	<u>2014</u>
Assets:	
Current and Other Assets	<u>\$12,532</u>
Total Assets	<u>12,532</u>
Liabilities:	
Current and Other Liabilities	<u>724</u>
Total Liabilities	<u>724</u>
Net Position:	
Unrestricted	<u>11,808</u>
Total Net Position	<u><u>\$11,808</u></u>

The Academy was established in fiscal year 2014.

Total net position of the Academy was \$11,808.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2014.

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**Northmont Secondary Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

**Table 2
Changes in Net Position**

	Change in Net Position
	<u>2014</u>
Operating Revenues:	
State Foundation	<u>\$236,749</u>
Total Operating Revenues	<u>236,749</u>
Operating Expenses:	
Purchased Services	223,349
Other Expenses	<u>2,488</u>
Total Operating Expenses	<u>225,837</u>
Operating Income (Loss)	<u>10,912</u>
Non-Operating Revenues (Expenses):	
State and Federal Grants	<u>896</u>
Total Non-Operating Revenues (Expenses)	<u>896</u>
Change in Net Position	11,808
Net Position - Beginning of Year	<u>0</u>
Net Position - End of Year	<u><u>\$11,808</u></u>

The Academy was established in fiscal year 2014.

Capital Assets

At June 30, 2014, the Academy did not have any capital assets.

Debt

At June 30, 2014, the Academy did not have any outstanding debt obligations.

Contacting the Academy's Financial Management

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the Academy's finances and to show the Academy's accountability for the resources it receives. If you have any questions, or concerns, about this report or need additional financial information, contact Jenna Whitton-Meyer, Assistant Treasurer at Northmont City School District, 4001 Old Salem Road, Englewood, Ohio 45322.

Northmont Secondary Academy
Statement of Net Position
June 30, 2014

	Northmont Secondary Academy
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$12,532</u>
Total Current Assets	<u>12,532</u>
Liabilities:	
Current Liabilities:	
Intergovernmental payable	<u>724</u>
Total Current Liabilities	<u>724</u>
Net Position:	
Unrestricted	<u>11,808</u>
Total Net Position	<u><u>\$11,808</u></u>

See accompanying notes to the basic financial statements.

Northmont Secondary Academy
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2014

	Northmont Secondary Academy
Operating Revenues:	
State Foundation	<u>\$236,749</u>
Total Operating Revenues	<u>236,749</u>
Operating Expenses:	
Purchased Services	223,349
Other Expenses	<u>2,488</u>
Total Operating Expenses	<u>225,837</u>
Operating Income (Loss)	<u>10,912</u>
Non-Operating Revenues (Expenses):	
State and Federal Grants	<u>896</u>
Total Non-Operating Revenues (Expenses)	<u>896</u>
Change in Net Position	11,808
Net Position - Beginning of Year	<u>0</u>
Net Position - End of Year	<u><u>\$11,808</u></u>

See accompanying notes to the basic financial statements.

Northmont Secondary Academy
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

	Northmont Secondary Academy
Cash Flows from Operating Activities:	
Cash Received from State Foundation	\$237,473
Cash Payments for Contractual Services	(223,349)
Cash Payments for Other Expenses	(2,488)
Net Cash Provided (Used) by Operating Activities	<u>11,636</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from State and Federal Grants	<u>896</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>896</u>
Net Increase (Decrease) in Cash and Cash Equivalents	12,532
Cash and Cash Equivalents Beginning of Year	<u>0</u>
Cash and Cash Equivalents End of Year	<u><u>12,532</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	10,912
Changes in Assets & Liabilities:	
Increase (Decrease) in Payables	<u>724</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$11,636</u></u>

See accompanying notes to the basic financial statements.

Northmont Secondary Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 1 - Description of the Academy

Northmont Secondary Academy (the "Academy") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Academy is an approved tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect their tax exempt status. The Academy's objective is to deliver a comprehensive educational program of high quality, tied to State and national standards that includes therapeutic opportunities which can be delivered to students in the grades 9 through 12. The Academy is a public school that provides an alternative to the traditional educational setting. The Academy serves a student population who are identified as at risk due to drug and/or alcohol involvement, severe emotional disturbance, multiple disabilities, partial hospitalization, or as an alternative to suspension/expulsion. The Academy, which is part of the State's education program, is nonsectarian in its programs, admissions policies, employment practices, and all other operations. The Academy may acquire facilities as needed and contract for any services necessary for the operation of the school.

The Academy was certified by the State of Ohio Secretary of State as a non-profit organization on March 1, 2013. The Academy was approved for operation under a contract with the Northmont City School District (the "Sponsor") for a period beginning March 11, 2013 through June 30, 2018. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration.

The Academy operates under the direction of a three-member Board of Directors. The Academy's Board of Directors is appointed by the Northmont City School District Board of Education. The Sponsor's assistant treasurer shall be a non-voting ex officio member of the Academy's Board of Directors. Directors each serve a two year term. A resignation or vacancy on the Board of Directors will be appointed for the remaining term by the Northmont City School District Board of Education. The Board of Directors is responsible for carrying out the provisions of the contract 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 Academy is a component unit of Northmont City School District.

The Academy has developed a cooperative arrangement with the Sponsor. See Note 7 for further detail on the service agreement.

Note 2 - Summary of Significant Accounting Policies

The Academy has utilized existing programs within the existing structure of the Northmont City School District.

The basic 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 units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Academy's significant accounting policies are described below.

Basis of Presentation

Northmont Secondary Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises and focuses on the determination of operating income, changes in net position, financial position, and cash flows. Enterprise accounting may be used to account for any activity for which a fee is charged to external users for goods or services.

Measurement Focus and Basis of Accounting

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (i.e., revenues) and decreases (i.e., expenses) in net position. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the Academy's contract with its Sponsor. The contract between the Academy and its Sponsor requires a detailed school budget for each year of the contract; however, the budget does not have to follow the provisions of Ohio Revised Code Chapter 5705.

Cash

All monies received by the Academy are deposited in a standard checking account.

Capital Assets and Depreciation

The Academy does not own any capital assets. They are all owned by Northmont City School District.

Operating Revenues and Expenses

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Academy applies restricted resources first when an expense is incurred for purposes for which both

Northmont Secondary Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

restricted and unrestricted net positions are available.

Intergovernmental Revenue

The Academy currently participates in the State Foundation Program. Revenues received from this program are recognized as operating revenues in the accounting period in which all eligibility requirements are met.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Income Taxes

The Academy is a component unit of Northmont City School District and is exempt from Federal income tax as an exempted affiliate of a governmental unit. Accordingly, no income tax expense is recorded in the accompanying financial statements.

Generally accepted accounting principles require the Academy to evaluate the level of uncertainty related to whether tax positions taken will be sustained upon examination. Any positions taken that do not meet the more-likely-than-not threshold must be quantified and recorded as a liability for unrecognized tax benefits in the accompanying financial statement of net position along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest and penalties associated with unrecognized tax benefits are classified as additional income taxes in the statement of revenues, expenses and changes in net position. The Academy believes that none of the tax positions taken would materially impact the financial statements and no such liabilities have been recorded.

Note 3 – Deposits

At June 30, 2014, the carrying amount of all Academy deposits was \$12,532. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2014, none of the Academy's bank balance of \$12,532 was exposed to custodial risk.

Custodial credit risk is the risk that, in the event of bank failure, the Academy's deposits may not be returned. 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 Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Academy. The Academy has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Academy to a successful claim by the FDIC.

**Northmont Secondary Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

Note 4 – Contract Services

For fiscal year ended June 30, 2014, contract services expenses through Northmont City School District were as follows:

Purchased Services	\$223,349
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\$221,406 of the purchased services amounts are related party transactions since these services are purchased through the Sponsor, Northmont City School District. See Note 8 for further information. The remaining \$1,943 of the purchased service amount are related to services purchased through MDECA, see Note 10 for further information.

Note 5 – Risk Management

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

<u>Coverage</u>	<u>Limits of Coverage</u>	<u>Deductible</u>
General Liability:		
Each Occurrence	\$1,000,000	\$0
Annual Aggregate	3,000,000	0
Employee Benefits Liability:		
Each Occurrence	1,000,000	5,000
Annual Aggregate	3,000,000	5,000
School Leader's Errors and Omissions:		
Each Occurrence	2,000,000	1,000
Annual Aggregate	2,000,000	1,000
School Law Enforcement Liability:		
Each Occurrence	n/a	n/a
Annual Aggregate	n/a	n/a
Property	28,647,325	2,500

Settled claims resulting from these risks have not exceeded commercial insurance coverage in fiscal year 2014. There has been no significant reduction in amounts of insurance coverage from fiscal year 2014.

Note 6 - Contingencies

Litigation

The Academy is not involved in any litigation that, in the opinion of management, would have a material effect on the financial statements.

State Foundation Funding

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. As a result of the fiscal year 2014 reviews, the Academy owes ODE \$724. This amount has been reported as an intergovernmental payable on the statement of net position.

Northmont Secondary Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 7 - Service Contract

The Northmont City School District and the Academy have entered into a service contract agreement. This agreement states that the Academy will contract for educational services from the Northmont City School District Board of Education and reimburse the Board of Education for these services. The Northmont City School District agreed to provide the requested services and receive reimbursement for the Academy pursuant to Ohio Revised Code Section 3317.11 as follows:

1. Services for the intensive day treatment program
2. Services for the High School S.E.D. program
3. Services for the Recovery/Alcohol program
4. Services for the Suspension Alternative program
5. Collaboration for staff development programs for certified and non-certified staff
6. Planning and consultative services for curriculum development
7. Psychological services as needed for re-evaluations and initial multi-factored evaluations
8. Fiscal services including payroll, retirement, and insurance
9. Student services including E.M.I.S., Nursing, Speech, Guidance and Therapy
10. Classroom space and administrative services
11. Custodial services
12. Food services
13. Transportation services
14. Supervision/Director services
15. Office Management services
16. Classroom aides for instructional and non-instructional areas
17. Technology support

The Northmont Board of Education acts as the fiscal agent for the service agreement described above. As fiscal agent, the Board of Education shall enter into employment contracts with each certified teacher/administrator/aide whose services are to be shared with Northmont City School District. Other services may be provided based on mutual consent of both the Academy and the Northmont City School District.

Note 8 - Related Party Transaction

The Academy is a component unit of the Sponsor (Northmont City School District). The Academy and the Sponsor entered into an agreement beginning March 11, 2013 through June 30, 2018, whereby terms of the sponsorship were established. Pursuant to this agreement, the Sponsor's Assistant Treasurer serves as the Academy's fiscal officer.

In fiscal year 2014, payments were made by the Academy to the Sponsor totaling \$221,406. These represent payments for reimbursements for services provided by the Sponsor to the Academy.

Note 9 – Change in Accounting Principles

The Academy adopted the provisions of GASB Statement Number 65, Items Previously Reported as Assets and Liabilities. GASB Statement Number 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions

Northmont Secondary Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

of this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the Academy.

Note 10 - Metropolitan Dayton Educational Cooperative Association

The Academy is a participant in the Metropolitan Dayton Educational Cooperative Association (MDECA) which is a computer consortium. MDECA is an association of public school districts within the boundaries of Montgomery, Miami and Darke Counties and the Cities of Dayton, Troy and Greenville. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts.

The governing board of MDECA consists of seven Superintendents of member school districts, with six of the Superintendents elected by majority vote of all member school districts except Montgomery County Educational Service Center. The seventh Superintendent is from the Montgomery County Educational Service Center. The Academy paid MDECA \$1,943 during fiscal year 2014 for computer services provided. Financial information can be obtained from Dean A. Reineke, who serves as Executive Director, at 225 Linwood Street, Dayton, Ohio 45405.

Note 11 - Contingency

The Ohio Department of Education (ODE) has identified several community schools and/or STEM schools that made critical data errors between the June payment and the Final #1 payment. As a result, ODE will be running a Final #2 foundation report for community schools and STEM schools for fiscal year 2014.

As of the date of this report, a final list of schools impacted and amounts are not yet available, but ODE believes this will result in receivables to the schools affected.



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*

Northmont Secondary Academy
Montgomery County
4001 Old Salem Road
Englewood, Ohio 45322

To the 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 Northmont Secondary Academy, Montgomery County, (the Academy) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated March 9, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Academy'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 the Academy'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 Academy'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 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, 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 the Academy's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Academy's internal control and compliance. Accordingly, this communication 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 "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

March 9, 2015



Dave Yost • Auditor of State

Independent Accountants' Report on Applying Agreed-Upon Procedure

Northmont Secondary Academy
Montgomery County
4001 Old Salem Road
Englewood, Ohio 45322

To the Board of Directors:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Northmont Secondary Academy (the Academy) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted that the Board adopted the Northmont City School District's policies (including the policy on Harassment, Intimidation and Bullying) on June 11, 2013. The policy was amended on November 18, 2013 and March 24, 2014.
2. We read the policy, noting that it included the following requirements from Ohio Rev. Code Section 3313.666;
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property, on a school bus, or at school-sponsored events and expressly providing for the possibility of suspension of a student found responsible for harassment, intimidation, or bullying by an electronic act;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666, as of the latest amendment;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;

- (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and Academy's sponsor, and is not intended to be and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

March 9, 2015



Dave Yost • Auditor of State

NORTHMONT SECONDARY ACADEMY

MONTGOMERY 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
MARCH 31, 2015**