



Dave Yost • Auditor of State

NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Nexus Academy of Cleveland
Cuyahoga County
3615 Superior Avenue, Suite 4402A
Cleveland, Ohio 44114

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Nexus Academy of Cleveland, Cuyahoga County, Ohio, (the School), as of and for the year ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the School'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 School'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 School'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nexus Academy of Cleveland, Cuyahoga County, Ohio, as of June 30, 2014 and 2013, 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 September 23, 2015, on our consideration of the School'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 School's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

September 23, 2015

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
for the fiscal years ending June 30, 2014 and 2013**

The discussion and analysis of the financial performance of the Nexus Academy of Cleveland, Cuyahoga County, Ohio (the Academy), provides an overview of the Academy's financial activities for the fiscal years ended June 30, 2014 and 2013. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Academy's financial performance.

Financial Highlights

- For fiscal years 2014 and 2013, total assets were \$229,677 and \$107,036, respectively.
- For fiscal years 2014 and 2013, total liabilities were \$219,104 and \$72,124, respectively.
- For fiscal years 2014 and 2013, total net position was \$10,573 and \$34,912, respectively.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the financial position of the Academy. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows and all liabilities and deferred inflows are included on the Statement of Net Position. The Statement of Net Position represents the basic statement of position for the Academy. The Statement of Revenues, Expenses, and Change in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The Statement of Cash Flows reflects how the Academy finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided on the basic financial statements.

REPORTING THE ACADEMY AS A WHOLE

The view of the Academy as a whole looks at all financial transactions and asks, "How did we do financially during 2014 and 2013?" The Statement of Net Position and the Statement of Revenues, Expenses, and Change in Net Position answer this question. These statements include *all assets* and deferred outflows and *liabilities* and deferred inflows using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting considers 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 change in those assets. 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 cause of this may be the result of many factors, some financial, some not. Non-financial factors include the current laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
for the fiscal years ending June 30, 2014 and 2013**

FINANCIAL ANALYSIS

The Academy is not required to present government-wide financial statements as the Academy is engaged in only business-type activities. Therefore, no condensed financial information derived from government-wide financial statements is included in the discussion and analysis.

The following tables represent the Academy's condensed financial information derived from the Statement of Net Position and the Statement of Revenues, Expenses, and Change in Net Position.

Table 1 provides a summary of the Academy's Net Position for fiscal years 2014 and 2013:

**Table 1
Net Position**

	2014	2013
Assets		
Current assets	\$ 219,644	\$ 94,203
Non-current assets	10,033	12,833
Total assets	229,677	107,036
Liabilities		
Current liabilities	219,104	72,124
Total liabilities	219,104	72,124
Net Position		
Net Investment in Capital Assets	10,033	12,833
Unrestricted	540	22,079
Total Net Position	\$ 10,573	\$ 34,912

Over time, Net Position can serve as a useful indicator of a government's financial position. At June 30, 2014 and 2013. The Academy's Net Position was \$10,573 and \$34,912, respectively.

Current assets represent cash and cash equivalents, federal grants receivable, prepaids and other receivables. Current liabilities represent contracts payable and accounts payable at fiscal year-end.

Current assets increased over the prior year due to an increase in cash of \$25,652, an increase in grants receivable of \$86,733 and a receivable from Connections of \$12,926.

Liabilities increased due to outstanding accounts payable of \$45,162 and change in payable to Connections of \$101,818 from the prior year.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
for the fiscal years ending June 30, 2014 and 2013**

Table 2 shows the change in Net Position for fiscal years 2014 and 2013:

**Table 2
Change in Net Position**

	<u>2014</u>	<u>2013</u>
Operating Revenues		
Foundation Payments - Regular	\$ 1,183,271	\$ 287,310
Foundation Payments - Special Education	120,037	17,633
Total Operating Revenues	<u>1,303,308</u>	<u>304,943</u>
Operating Expenses		
Purchased Services	2,323,786	1,157,714
Depreciation	2,800	1,167
Total Operating Expenses	<u>2,326,586</u>	<u>1,158,881</u>
Operating Loss	(1,023,278)	(853,938)
Non-Operating Revenues		
Federal Grants	93,884	7,151
Management Company Credits	904,967	881,699
Interest Earnings	88	-
Total Non-Operating Revenues	<u>\$ 998,939</u>	<u>\$ 888,850</u>
Change in Net Position	<u>\$ (24,339)</u>	<u>\$ 34,912</u>

Net Position decreased by \$24,339 in 2014. For fiscal year 2014, operating revenues increased \$998,365 or 327 percent, due to an increase in Foundation payments caused by increased enrollment. Additionally, the Academy operates as a one business-type enterprise fund; therefore, analysis of balances and transactions of individual funds are not included in the discussion and analysis. Results of fiscal years 2014 and 2013 operations indicate ending net position of (\$24,339) and \$34,912, respectively.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
for the fiscal years ending June 30, 2014 and 2013**

BUDGET

Pursuant to Ohio Revised Code Chapter 5705.391, the Academy prepares and adopts an annual budget which includes estimated revenues and expenditures for the fiscal year and a five year forecast of revenues and expenditures. The Academy will from time to time adopt budget revisions as necessary.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Academy used Grant funds to purchase computers. This represents the only capital assets owned by the Academy. Capital asset information is summarized in Note 5 to the basic financial statements. The Academy has not issued any debt.

OTHER INFORMATION

Management is currently unaware of any known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

CONTACTING THE ACADEMY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Academy's finances and to demonstrate accountability for the money it receives. If you have any questions about this report or need additional information contact C. David Massa, CPA, of Massa Financial Solutions, LLC, 219 E. Maple St. Ste 202, North Canton, Ohio 44720 or email at dave@massasolutionsllc.com.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
STATEMENT OF NET POSITION
AS OF JUNE 30, 2014 AND 2013**

<u>Assets:</u>	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash and Cash Equivalents	\$ 75,905	\$ 50,253
Federal Grants Receivable	93,884	7,151
Prepays	13,548	13,418
Other Receivable	36,307	23,381
Total Current Assets	<u>219,644</u>	<u>94,203</u>
Non-Current Assets		
Capital Assets (Net of Accumulated Depreciation)	<u>10,033</u>	<u>12,833</u>
Total Assets	<u>229,677</u>	<u>107,036</u>
 <u>Liabilities:</u>		
Current Liabilities:		
Contracts Payable	152,147	50,329
Accounts Payable	66,957	21,795
Total Current Liabilities	<u>219,104</u>	<u>72,124</u>
Total Liabilities	<u>219,104</u>	<u>72,124</u>
 <u>Net Position:</u>		
Net Investment in Capital Assets	10,033	12,833
Unrestricted	540	22,079
Total Net Position	<u>\$ 10,573</u>	<u>\$ 34,912</u>

See the Accompanying Notes to the Basic Financial Statements.

**NEXUS ACADEMY OF CLEVELAND
 CUYAHOGA COUNTY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
 FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
Operating Revenues:		
Foundation Payments - Regular	\$ 1,183,271	\$ 287,310
Foundation Payments - Special Education	<u>120,037</u>	<u>17,633</u>
Total Operating Revenues	<u>1,303,308</u>	<u>304,943</u>
Operating Expenses:		
Purchased Services	2,323,786	1,157,714
Depreciation Expense	<u>2,800</u>	<u>1,167</u>
Total Operating Expenses	<u>2,326,586</u>	<u>1,158,881</u>
<i>Operating Loss</i>	(1,023,278)	(853,938)
Non-Operating Revenues:		
Federal Grants	93,884	7,151
Management Company Credits	904,967	881,699
Interest Earnings	<u>88</u>	<u>-</u>
Total Non-Operating Revenues	<u>998,939</u>	<u>888,850</u>
<i>Change in Net Position</i>	(24,339)	34,912
<i>Net Position, Beginning of Year</i>	34,912	-
<i>Net Position, End of Year</i>	<u>\$ 10,573</u>	<u>\$ 34,912</u>

See the Accompanying Notes to the Basic Financial Statements.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>Cash Flows from Operating Activities:</u>		
Cash Received for School Foundation Payments	\$ 1,303,308	\$ 304,943
Cash Payments to Suppliers for Goods and Services	<u>(2,189,861)</u>	<u>(1,122,389)</u>
<i>Net Cash Used for Operating Activities</i>	(886,553)	(817,446)
<u>Cash Flows from Noncapital Financing Activities:</u>		
Federal Grants	7,151	-
Interest	88	-
Management Compnay Credit	<u>904,967</u>	<u>881,699</u>
<i>Net Cash Provided by Noncapital Financing Activities</i>	912,206	881,699
<u>Cash Flows from Investing Activities:</u>		
Purchase of Equipment, Net	<u>-</u>	<u>(14,000)</u>
<i>Net Cash Used in Investing Activities</i>	-	(14,000)
<i>Net Increase in Cash and Cash Equivalentents</i>	25,653	50,253
Cash and Cash Equivalentents at Beginning of Year	50,253	-
Cash and Cash Equivalentents at End of Year	<u><u>75,906</u></u>	<u><u>50,253</u></u>
<u>Reconciliation of Operating Income to Net Cash Used for Operating Activities:</u>		
Operating Loss	(1,023,278)	(853,938)
Depreciation	2,800	1,167
<u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u>		
Changes in Assets and Liabilities:		
Increase in Contracts Payable	101,818	50,329
Increase in Accounts Payable	45,162	21,795
Increase in Prepaid Items	(130)	(13,418)
Increase in Other Receivables	<u>(12,926)</u>	<u>(23,381)</u>
Total Adjustments	<u>133,925</u>	<u>35,325</u>
<i>Net Cash Used by Operating Activities</i>	<u><u>\$ (886,553)</u></u>	<u><u>\$ (817,446)</u></u>

See the Accompanying Notes to the Basic Financial Statements.

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**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 1 – DESCRIPTION OF THE ACADEMY AND REPORTING ENTITY

Nexus Academy of Cleveland (the Academy) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Academy's mission is to provide top-quality personalized education for students and their families through internet or computer-based learning outside of the traditional classroom. The Academy will maintain a commitment to excellence in curriculum, instruction, accountability and communication for internet- or computer-based schools and will ensure that its programs follow the principles of parental involvement, individualized instruction and high-quality teaching.

The Academy was approved for operation under a contract with The Ohio Council of Community Schools, (the “Sponsor”). 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 five-member Board of Directors (the “Board”). The Board of Directors may not be fewer than five members.

Additionally, the Academy entered into a five-year contract on June 30, 2012, with Connections Academy of Ohio, LLC (“CA”) for curriculum, school management services, instruction, technology and other services, with an expiration date of June 30, 2017. (See Note 10).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Academy have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Academy’s accounting policies are described below.

A. Basis of Presentation

Enterprise Accounting

The Academy’s basic financial statements consist of a Statement of Net Position; a Statement of Revenues, Expenses, and Change in Net Position; and a Statement of Cash Flows.

The Academy uses enterprise accounting to track and report on its financial activities. The Academy uses enterprise accounting to maintain its financial records during the fiscal year. Enterprise accounting focuses on the determination of operating income, change 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.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows and all liabilities and deferred inflows are included on the statement of net position. The Statement of Revenues, Expenses, and Change in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The Statement of Cash Flows reflects how the Academy finances and meets its cash flow needs.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Academy's financial statements are prepared using the accrual basis of accounting. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded when the exchange takes place. Revenues resulting from non-exchange transactions, in which the Academy receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Academy must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis. Expenses are recognized at the time they are incurred.

C. Budgetary Process

Pursuant to Ohio Revised Code Chapter 5705.391, the Academy prepares and adopts an annual budget which includes estimated revenues and expenditures for the fiscal year and a five year forecast of revenues and expenditures. The Academy will from time to time adopt budget revisions as necessary.

D. Cash and Investments

Cash held by the Academy is reflected as "Cash and Cash Equivalents" on the statement of net position. Unless otherwise noted, all monies received by the Academy are pooled and deposited in a central bank account as demand deposits. Investments with an initial maturity of more than 3 months are reported as investments. During the fiscal years ended June 30, 2014 and 2013, the Academy had no investments.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Intergovernmental Revenues

The Academy currently participates in the State Foundation Program and the State Special Education Program. Foundation and Special Education payments are recognized as operating revenues in the accompanying financial statements. Other grants awarded and received in fiscal years 2014 and 2013, totaled \$9,336 and \$22,699, respectively. Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. When both restricted and unrestricted resources are available for use, it is the Academy’s policy to use restricted resources first, then unrestricted resources as they are needed.

F. Contribution Revenue

Contribution revenue consists primarily of contributed products and services from Connections Academy of Ohio, LLC (“CA”) as described in the contract between the Academy and CA. See Note 10)

G. Capital Assets

Capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. The Academy maintains a capitalization threshold of \$1,000 dollars. The Academy does not have any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Furniture and Fixtures	7 years
Leasehold Improvements	7 years
Equipment	5 years
Computers	3 years

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Academy did not have any restricted net position in fiscal years 2014 and 2013.

I. 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.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

K. Accrued Liabilities

Obligations incurred but unpaid at June 30 are reported as accrued liabilities in the accompanying financial statements. The liabilities consisted of contracts payable and accounts payable, total \$219,104 and \$72,124 at June 30, 2014 and 2013, respectively.

L. Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non exchange transactions, in which the Academy receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided to the Academy on a reimbursement basis.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Inflows and Deferred Outflows of Resources

A deferred inflow of resources is an acquisition of net position by the Academy that is applicable to a future period. A deferred outflow of resources is a consumption of net position by the Academy that is applicable to a future reporting period. Other revenues received in advance of the fiscal year for which they were intended to finance, are recorded as deferred inflows. Grants not received within the available period, grants and entitlements received before the eligibility requirements are met at June 30, 2014 are recorded as deferred inflows. Receivables that will not be collected within the available period are reported as deferred inflows of resources. The Academy has not deferred inflows and has no deferred outflows of resources at June 30, 2014.

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

In fiscal year 2014, the Academy implemented GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*”. GASB Statement No. 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. GASB Statement No.65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources and deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The implementation of GASB Statement No. 65 had no effect on the beginning net position/fund balance.

For fiscal year 2014, the Academy has implemented GASB Statement No. 67, “Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25”, and GASB Statement No. 70, “Accounting and Financial Reporting for Nonexchange Financial Guarantees”. GASB Statement No. 67 improves the usefulness of pension information included in the general purpose external financial reports of state and local governmental pension plans for making decisions and assessing accountability. The implementation of GASB Statement No. 67 did not have an effect on the financial statements of the Academy. GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the Academy.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 4 – DEPOSITS

Deposits with Financial Institutions

The following information classifies deposits by category of risk as defined in GASB Statement No. 3 “Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements, “as amended by GASB Statement No. 40, “Deposit, and Investment Risk Disclosures”.

The Academy maintains its cash balances at one financial institution, PNC Bank, located in Ohio. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, per qualifying account. At June 30, 2014, the carrying amount of the Academy’s deposits was \$75,905 and the bank balance was \$78,896. At June 30, 2013, the carrying amount of the Academy’s deposits was \$50,253 and the bank balance was \$50,753.

The Academy had no deposit policy for custodial risk beyond the requirement of state statute. Ohio law requires that deposits either be insured or be protected by eligible securities pledged to and deposited either with the Academy or a qualified trustee by the financial institution as security for repayment or by a collateral pool of eligible securities deposited with a qualified trustee to secure repayment of all public monies deposited in the financial institution whose market value shall be at least 105% of deposits being secured. At June 30, 2014 and 2013, none of the bank balance was exposed to custodial risk.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	<u>Balance 6/30/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2014</u>
Capital assets being depreciated:				
Furniture, fixtures, and equipment	\$ 14,000	\$ -	\$ -	\$ 14,000
Less accumulated depreciation:				
Furniture, fixtures, and equipment	<u>(1,167)</u>	<u>(2,800)</u>	<u>-</u>	<u>(3,967)</u>
Capital assets, net of accumulated depreciation	<u>\$ 12,833</u>	<u>\$ (2,800)</u>	<u>\$ -</u>	<u>\$ 10,033</u>

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	<u>Balance 6/30/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2013</u>
Capital assets being depreciated:				
Furniture, fixtures, and equipment	\$ -	\$ 14,000	\$ -	\$ 14,000
Less accumulated depreciation:				
Furniture, fixtures, and equipment	<u>-</u>	<u>(1,167)</u>	<u>-</u>	<u>(1,167)</u>
Capital assets, net of accumulated depreciation	<u>\$ -</u>	<u>\$ 12,833</u>	<u>\$ -</u>	<u>\$ 12,833</u>

**NEXUS ACADEMY OF CLEVELAND
 CUYAHOGA COUNTY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 for the fiscal years ending June 30, 2014 and 2013**

NOTE 6 - OPERATING LEASES

The Academy rents facilities through lease agreement executed between their landlords and CA. The terms of these leases are due to expire September 30, 2017.

Future minimum lease payments for the operating leases are as follows:

<u>Years Ending June 30,</u>	<u>Total</u>
2015	149,580
2016	151,077
2017	152,595
2018	38,244
Total	<u><u>\$ 491,496</u></u>

NOTE 7- RECEIVABLES

Receivables consisted the following as of June 30, 2014 and 2013:

<u></u>	<u>2014</u>	<u>2013</u>
Federal Program Grant - Title I Improving Basic Program	78,349	\$ 7,151
Federal Program Grant - Title II A	355	-
Federal Program Grant - IDEA	15,180	-
Due from employees	-	3,807
State grants	4,307	1,383
Due from CA	32,000	10,310
State Employees' Retirement	-	7,881
	<u><u>\$ 130,191</u></u>	<u><u>\$ 30,532</u></u>

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 8 – RISK MANAGEMENT

Liability

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters. For fiscal years 2014 and 2013, the Academy contracted with CA to provide insurance in the following amounts through being included as an additional insured on their policy with Diversified Insurance Services for the following coverage:

Commercial general liability: \$2,000,000 general aggregate with a \$1,000,000 single occurrence limit along with \$20,000,000 in excess liability coverage for both aggregate and single occurrence.

There were no settlements in excess of insurance coverage over the past two fiscal years.

NOTE 9 – FISCAL AGENT AND PAYMENTS TO SPONSOR

The sponsorship agreement with Ohio Council of Community Schools requires that the Academy shall have a designated fiscal officer who shall meet all the requirements as set forth by law including:

- A. Maintain the financial records of the Academy in the same manner as are financial records of school districts, pursuant to rules of the Auditor of State;
- B. Comply with the policies and procedures regarding internal financial control of the Academy;
- C. Comply with the requirements and procedures for financial audits by the Auditor of the State.

The Academy shall pay to the Sponsor 3 percent of all base per pupil cost payments received from the state in consideration for the time, organization, oversight, fees and costs of the Sponsor in overseeing the Academy. The Academy's Fiscal Agent during the audit period was Massa Financial Solutions LLC. The total sponsorship fees paid totaled \$38,639 and \$9,148 for the fiscal year ended June 30, 2014 and 2013, respectively.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 10 – MANAGEMENT CONSULTING CONTRACT/PURCHASED SERVICES

The Academy entered into a five-year contract on June 30, 2012 with Connections Academy of Ohio, LLC (“CA”). In the agreement, which expires on June 30, 2017, CA agrees to provide curriculum, instruction, technology and other school management services. Under the contract, the following terms were agreed upon:

CA will provide direct materials/services or procurement and payment services for the following:

1. Instructional materials as approved by the Board and the Sponsor.
2. Various educational protocols and assessments.
3. Administrative personnel, including health and other benefits, as approved by the Board and the Sponsor where required.
4. Teaching staff, including health and other benefits, as approved by the Board.
5. Educational support services for participating families.
6. Training and other professional development as approved by the Board.
7. Hardware and software as approved by the Board.
8. Technical support for any hardware and software provided under the contract.
9. Maintenance of student records.
10. Services to special needs students as required by law.
11. Administrative services including expenditures for a facility and capital, both of which require Board approval.
12. Financial, treasury and other reporting as required by law.
13. Student recruiting and community education.
14. General school management

Included in the charges listed above, the Academy has reimbursed Connections certain actual expenses at cost totaling \$830,755 and \$602,606 for the years ending June 30, 2014 and 2013. Other charges paid to Connections for products and services are calculated based primarily on enrollment statistics and totaled \$1,305,044 and \$484,151 for the years ending June 30, 2014 and 2013. The total expense on an accrual basis under this contract for fiscal years 2014 and 2013 totaled \$2,135,799 and \$1,086,757, respectively. Of this amount, \$152,147 and \$50,329 represents contracts payable at June 30, 2014 and 2013, respectively.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 10 – MANAGEMENT CONSULTING CONTRACT/PURCHASED SERVICES (CONTINUED)

For the periods ended June 30, 2014 and 2013, CA, incurred the following expenses on behalf of the Academy:

Direct Expenses	2014	2013
100 Salaries & wages	\$ 512,121	\$ 340,094
200 Employees' benefits	74,173	95,877
410 Professional & technical services	40,055	42,137
420 Property services	196,637	163,539
430 Travel	24,330	37,025
440 Communications	22,517	13,249
450 Utilities	21,008	18,145
460 Contracted craft or trade services	7,562	16,303
490 Other purchased services	71,595	49,176
510 Other supplies	15,199	13,339
Other direct costs - Allocated	92,940	42,150
Indirect Expenses:		
Overhead	612,092	446,854
Total expenses	\$ 1,690,229	\$ 1,277,888

The Management Company incurs a variety of costs including general and administrative costs, marketing costs, software development costs, curriculum development costs, enrollment and placement costs, fulfillment and asset tracking costs, legal costs, and other costs associated with providing services to more than one school. These costs are not charged directly to the schools but are allocated internally by the Management Company pro rata based on the number of total students that have enrolled in each school.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 11 - CONTINGENCIES

A. Grants

The Academy received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, the Academy has complied with all grant requirements.

B. Full Time Equivalency

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the Academy. These reviews are conducted to ensure the Academy is reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The conclusions of this review could result in state funding being adjusted.

C. Litigation

The Academy is not involved in any additional litigation that, in the opinion of management, would have a material effect on the financial statements at June 30, 2014.

NOTE 12 – TAX EXEMPT STATUS

The Academy is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy's nonprofit status.

The Academy was approved on June 30, 2014 for tax exempt status under 501(c)3 of the Internal Revenue Code. The approval had a retroactive date of February 23, 2012.

NOTE 13 – MANAGEMENT PLAN

The Academy had an operating loss of \$1,023,278 and \$853,938 and a net position surplus of \$10,573 and \$34,912 at the end of fiscal years June 30, 2014 and 2013, respectively. The Academy is projecting a positive net position balance for fiscal year ending June 30, 2015.

Connections Academy provided \$904,967 and \$881,699 worth of credits to the Academy for services provided during fiscal years 2014 and 2013, respectively, to ensure contract compliance in order that the Academy would maintain a positive balance in net position.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 14 – MANAGEMENT COMPANY

The Academy has contracted with CA to provide employee services and to pay those employees. However, these contract services do not relieve the Academy of the obligation for remitting pension contributions. The retirement systems consider the Academy as the Employer-of-Record and the Academy ultimately is responsible for remitting retirement contributions to the State Teachers Retirement System and the School Employees Retirement System.

NOTE 15 - DEFINED BENEFIT PENSION PLANS

A. School Employee Retirement System

Plan Description – The Academy 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 obtained on SERS’ website at www.ohsers.org under **Employers/Audit Resources**.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute 14 percent 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 years ending June 30, 2014 and 2013, 13.05 and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The Academy’s contributions to SERS for the years ended June 30, 2014 and 2013 were \$1,644 and \$3,119, respectively, which equaled the required contributions each year.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. State Teachers Retirement System

Plan Description - The Academy participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org, under “*Publications*”.

Plan Options - New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member’s lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 9.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

Funding Policy - For fiscal years 2014 and 2013, plan members were required to contribute 11 and 10 percent of their annual covered salaries. The Academy was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 11 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. State Teachers Retirement System (Continued)

The Academy's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014 and 2013 were \$53,206 and \$31,716, respectively; 100 percent has been contributed for fiscal years ended June 30, 2014 and 2013. Contributions to the DC and Combined Plans for fiscal years 2014 and 2013 were \$46,140 and \$31,716 made by the Academy and \$38,005 and \$22,654 made by the plan members, respectively.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. The contribution rate is 6.2 percent of wages.

NOTE 16 - POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description - The Academy participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar years 2014 and 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "*Employers/Audit Resources*".

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 16 - POSTEMPLOYMENT BENEFITS (CONTINUED)

A. School Employee Retirement System (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2014 and 2013, 0.14 and 0.16 percent, respectively, of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal years 2014 and 2013, the actuarially determined amount was \$20,250 and \$20,525, respectively.

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

The Academy's contributions for health care (including surcharge) for the fiscal year ended June 30, 2014 and 2013 were \$49 and \$36, respectively; 100 percent has been contributed for fiscal years 2014 and 2013.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal years 2014 and 2013, respectively, this actuarially required allocation was 0.76 and 0.74 percent of covered payroll. The Academy's contributions for Medicare Part B for the fiscal years ended June 30, 2014 and 2013 were \$264 and \$165, respectively; 100 percent has been contributed for fiscal years 2014 and 2013.

B. State Teachers Retirement System

Plan Description – The Academy contributes to the cost sharing, multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

**NEXUS ACADEMY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
for the fiscal years ending June 30, 2014 and 2013**

NOTE 16 - POSTEMPLOYMENT BENEFITS (CONTINUED)

B. State Teachers Retirement System (Continued)

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2014 and 2013, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Academy's contributions for health care for the fiscal years ended June 30, 2014 and 2013 were \$3,800 and \$2,265, respectively; 100 percent has been contributed for fiscal years ended June 30, 2014 and 2013.

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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

Nexus Academy of Cleveland
Cuyahoga County
3615 Superior Avenue, Suite 4402A
Cleveland, Ohio 44114

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 the Nexus Academy of Cleveland, Cuyahoga County, Ohio (the School) as of and for the year ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 23, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the School'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 School'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 School'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 School's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School'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, flowing style.

Dave Yost
Auditor of State
Columbus, Ohio

September 23, 2015



Dave Yost • Auditor of State

NEXUS ACADEMY OF CLEVELAND

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 8, 2015**