



Dave Yost • Auditor of State





# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Dave Massa, Treasurer  
Columbus Bilingual Academy  
Franklin County  
35 Midland Avenue  
Columbus, Ohio 43223

We have performed the procedures enumerated below, with which the Board of Directors, Sponsor, and the management of Columbus Bilingual Academy (the Academy) agreed, solely to assist the Ohio Department of Education (ODE) in evaluating whether the School completed the ODE Community School Closing Procedures for this School that closed effective June 30, 2016. Management is responsible for recording transactions; and management, the Board, and the Sponsor are responsible for complying with the Closing Procedure requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. 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. In addition, we have audited, in accordance with standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Academy for the period of July 1, 2015 to June 30, 2016, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated April 25, 2017.

Ohio Revised Code Section 3314.015 (E) states the department (of education) shall adopt procedures for use by a community school governing authority and sponsor when the school permanently closes and ceases operation, which shall include at least procedures for data reporting to the department, handling of student records, distribution of assets in accordance with section 3314.074 of the Revised Code, and other matters related to ceasing operation of the school.

Ohio Department of Education, Community Schools Guidance Letter 2010-3 states sponsors must provide and execute a plan for an orderly wrap-up of a community school's affairs upon a permanent closure of a community school, preferably prior to the school closing its doors. A school is officially closed when instruction is no longer taking place and the governing authority or sponsor issues an official notice which states the date of the school's closure. The sponsor and a representative of the governing board are required to complete and sign the *Assurance to ODE Form*. The role of the sponsor in this process is to assure that the governing authority of the community school has taken required actions to properly address closing issues and/or to take those actions itself if the governing authority is no longer able or functioning. Inasmuch as a plan for school closure is a required part of the school's contract with the sponsor, final preparations as part of that plan should be in place prior to the last day students are in attendance.

**Initial Notifications, Student Records and School Records**

1. An Academy is officially closed when instruction is no longer taking place and the governing authority or sponsor issues an official notice which states the date of the Academy's closure.
  - a. We inspected the official notice to ODE that the Academy was closing, which contained the board resolution. We noted no exceptions.
  - b. We noted this notice occurred within 24 hours of the action which included the date of closing of the Academy. The Academy was closed on June 30, 2016. We noted no exceptions.
2. We inspected the formal letter from the Academy governing authority and the sponsor superintendent notifying parents that the Academy was closing. We noted that this letter was dated within 24 hours of the action, and included: the reason for the closing of the Academy, options for enrolling in another community school, traditional schools or nonpublic schools and contact information. We noted no exceptions.
3. We inspected the notice of closing sent to the Ohio State Teachers Retirement System and School Employees Retirement System. We noted no exceptions.
4. We inquired of the Sponsor if they took control of and secured all Academy records, property and assets immediately when the Academy closed.
  - a. We scanned student records to determine if they were put in order and if transcript materials were produced.
  - b. We inspected the final FTE review by the Ohio Department of Education to determine that it was completed.
  - c. We inquired of the resident district if copies of student records were provided by the community school, within seven business days of closure of the Academy as defined in section 3314.44 of the revised code.
  - d. We inquired of the receiving school if special education records were provided for all students with disabilities.

We noted copies of the student records as well as some of the originals were sent to the resident districts. We noted no other exceptions.

5. We inspected the written notice to the Academy's staff from the governing authority of the decision to close the Academy. This notice included the following:
  - a. Provided a clear written timeline of the closing process;
  - b. Clarified COBRA benefits and when medical benefits end;
  - c. Reminded the faculty of their obligation to teach up to the date of closing or otherwise determine that the Academy is properly staffed up to the time of closing;
  - d. Provided sponsor contact information.We noted no exceptions.
6. We confirmed that the Academy was current with their payments to the following retirement systems:
  - a. State Teachers Retirement System (STRS) – No exceptions were noted.
  - b. State Employees Retirement System (SERS) – We noted the Academy is delinquent \$265.49 in employer contributions.

### **Disposition of Assets**

1. We inquired if the governing authority retained the treasurer or the Sponsor to oversee the remaining financial activity, and act as a receiver to oversee the closing of the financial records in the absence of a fiscal officer. The treasurer was retained.
2. We inquired of the Academy and inspected the capital asset listing to determine if the Academy had any assets which had been purchased with federal dollars. The capital asset listing identified assets purchased with federal dollars.
3. We inquired of the Academy if they received computer hardware or software from the former Ohio SchoolNet commission or the former eTech Ohio commission. The Academy had no such computer hardware or software.
4. We obtained and scanned documentation showing:
  - a. The fair market (initial and amortized) value established via the capital assets policy, for all capital assets;
  - b. The listing of purchasers of assets with proper USAS codes, the price of each item, and the source of funds;
  - c. The established disposition plan for any remaining items;We noted no exceptions.
5. We inquired to identify:
  - a. What staff will have legal authority for payment processes (e.g. checks, cash, credit cards, etc.);
  - b. Any State Facilities Commission guarantees.We noted no exceptions.
6. We inquired if the Academy had any real property acquired from a public school district. The Academy had no such property.
7. We inquired of the Academy and inspected the capital asset listing to determine if the Academy had any assets which had been purchased with National School Lunch Program federal dollars. No such capital assets were noted.
8. We scanned the Academy's expenditure ledger to determine if they utilize only state dollars, auction proceeds, foundation dollars and any other non-federal dollars to pay the following, in order:
  - a. Any outstanding federal or state claims that may need to be paid first including but not limited to including federal and state taxes, Medicare, Workers Compensation, and city wage taxes;
  - b. STRS/SERS/retirement systems and other adjustments;
  - c. Teachers and staff;
  - d. Private creditors or those entities that have secured a judgment against the school, including audit preparation and audit costs (prepared financials);
  - e. If the assets of the school are insufficient to pay all persons or entities to which compensation is owed, the prioritization of the distribution of the assets to individual persons or entities within each class of payees may be determined by decree of a court in accordance section 3314.074 and Chapter 1702 of the Ohio Revised Code.We noted the Academy was delinquent \$265.49 in employer contributions to the School Employees Retirement System. We noted no other exceptions. In addition, no court order was noted in item e.
9. We inspected the liabilities related to items in step 8 to determine if they were disclosed either on the entities GAAP financial statements, or in the notes to the cash basis financial statements. We noted no exceptions.

### **Preparation of Itemized Financials**

1. We scanned the following documents to determine such had been prepared:
  - a. Year-end financial statements, notes to the financial statements and if applicable schedule of federal awards;
  - b. A cash analysis (taking the previous month's recap and reconciliation of bank accounts to books) for determination of the cash balance as of the closing date;
  - c. Compile bank statements for the year;
  - d. List of all payables and indicate when a check to pay the liability clears the bank;
  - e. List all unused checks (collect and void all unused checks);
  - f. List of any petty cash;
  - g. List of bank accounts, closing the accounts once all transactions are cleared;
  - h. List of all payroll reports including taxes, retirement or adjustments on employee contract.
  - i. List of all accounts receivable.
  - j. List of assets and their disposition.
  - k. FTE review complete and submit a copy of the Certification Form signed at the FTE review.

We noted the Academy did not provide a list of unused checks and did not provide a copy of the Certification Form signed at the FTE review. We noted no other exceptions.

### **Final Payments and Adjustments**

1. The Sponsor shall continually monitor the condition of the closed Academy and be prepared to receive or transmit funds on behalf of the Academy as directed by an appropriate agency. We will inspect the Academy ledgers to determine that:
  - a. Any funds received or adjustments were credited to the account of the closed Academy.
  - b. Any portion of any funds received, or adjustments, were applied to satisfy any remaining debt as allowable;
  - c. Any funds remaining were sent to the Ohio Department of Education, Office of Policy and Payments, for final disposition.

We noted as of April 20, 2017, the Academy had a bank balance of \$41,848.40. The Academy also had outstanding liabilities in the amount of \$39,954. Funds were properly credited to the Academy's account and the Academy is working to apply the remaining funds to its liabilities and will return any remaining funds to the Ohio Department of Education.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Academy's compliance with the Ohio Department of Education's Close-Out Procedures. Accordingly, we will not express 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 management, the Academy's sponsor, the Ohio Department of Education, those charged with governance, and others within the Academy, and is not intended to be, and should not be used by anyone other than these specified parties.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

April 25, 2017



# Dave Yost • Auditor of State

**COLUMBUS BILINGUAL ACADEMY**

**FRANKLIN 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  
MAY 30, 2017**