

**COSHOCTON OPPORTUNITY SCHOOL  
COSHOCTON COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2020**

***Wilson, Phillips & Agin, CPA's, Inc.  
1100 Brandywine Blvd. Building G  
Zanesville, Ohio 43701***



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Board of Directors  
Coshocton Opportunity School  
1207 Cambridge Road  
Coshocton, Ohio 43812

We have reviewed the *Independent Auditor's Report* of Coshocton Opportunity School, Coshocton County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period July 1, 2019 through June 30, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Coshocton Opportunity School is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

January 28, 2021

**This page intentionally left blank.**

**COSHOCTON OPPORTUNITY SCHOOL  
COSHOCTON COUNTY**

**TABLE OF CONTENTS**

<u>Title</u>	<u>Page</u>
Independent Auditors' Report.....	1
Management Discussion and Analysis.....	3
<b>Government-wide Financial Statements:</b>	
Statement of Nets Assets - Cash Basis.....	6
Statement of Revenues, Expenses and Changes in Fund Net Assets - Cash Basis.....	7
Statement of Cash Flows.....	8
Notes to the Financial Statements.....	9
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By Government Auditing Standards.....	17

**This page intentionally left blank.**

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Coshocton Opportunity School  
Coshocton County  
1207 Cambridge Road  
Coshocton, Ohio 43812

To the Board of Directors:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Coshocton Opportunity School, Coshocton County, Ohio (the Opportunity School), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Opportunity 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 District'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 District'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 opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Coshocton Opportunity School, Coshocton County, Ohio as of June 30, 2020, and the respective changes in its financial position and its cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Coshocton Opportunity School  
Coshocton County

**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 a report dated December 15, 2020, on our consideration of the Coshocton Opportunity 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 Coshocton Opportunity School's internal control over financial reporting and compliance.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
December 15, 2020



# ***COSHOCTON OPPORTUNITY SCHOOL***

---

## ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020***

***Unaudited***

---

The management's discussion and analysis of Coshocton Opportunity School's (the "Opportunity School") financial performance provides an overall review of the Opportunity School's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the Opportunity School's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the Opportunity School's financial performance.

### **FINANCIAL HIGHLIGHTS**

- Net Position at June 30, 2020 was \$236,840.
- Operating revenues accounted for \$319,798 in revenue or 70% of all revenues.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report consists of two parts – management's discussion and analysis and the basic financial statements. These statements are organized so the reader can understand the financial position of the Opportunity School. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred outflows/inflows of resources are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows reflects how the Opportunity School 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 in the basic financial statements.

### **FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE**

The Opportunity School is not required to present government-wide financial statements as the Opportunity School 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.

## ***COSHOCTON OPPORTUNITY SCHOOL***

***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020***

***Unaudited***

The following tables present the Opportunity School's condensed financial information for fiscal years 2020 and 2019 derived from the statement of net position and the statement of revenues, expenses, and changes in net position.

	Net Position	
	2020	2019
Current and Other Assets	\$248,607	\$193,024
Capital Assets, Net	7,808	8,924
Total Assets	256,415	201,948
Other Liabilities	19,575	0
Total Liabilities	19,575	0
Net Position		
Investment in Capital Assets	7,808	8,924
Restricted	35,666	8,672
Unrestricted	193,366	184,352
Total Net Position	\$236,840	\$201,948
	Change in Net Position	
	2020	2019
Operating Revenues		
Foundation Payments	\$319,598	\$320,237
Tuition and Fees	200	200
Total Operating Revenues	319,798	320,437
Operating Expenses		
Salaries and Wages	0	3,492
Purchased Services	379,991	309,258
Materials and Supplies	15,031	27,237
Depreciation	1,116	1,116
Other Operating Expense	24,999	26,489
Total Operating Expenses	421,137	367,592
Operating Loss	(101,339)	(47,155)
Nonoperating Revenues (Expenses)		
Federal and State Restricted Grants	114,116	87,548
State Unrestricted Grants	12,596	24,870
Contributions and Donations	9,000	0
Investment Earnings	519	1,628
Total Nonoperating Revenues (Expenses)	136,231	114,046
Total Change in Net Position	34,892	66,891
Net Position Beginning of Year	201,948	135,057
Net Position End of Year	\$236,840	\$201,948

# COSHOCTON OPPORTUNITY SCHOOL

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

Unaudited

The Opportunity School operates as one business-type enterprise fund; therefore, no analysis of balances and transactions of individual funds are included in the discussion and analysis. Results of fiscal year 2020 indicate an increase in net position of \$34,892 and ending net position of \$236,840. This increase in net position can mostly be attributed to an increase in grants.

### BUDGET

Community schools are statutorily required to adopt a budget by Ohio Revised Code 3314.032(C). However, unlike traditional public schools located in the State of Ohio, community schools are not required to follow the specific budgetary process and limits set forth in the Ohio Revised Code Chapter 5705, unless specifically provided in the contract with the Sponsor. The contract between the Opportunity School and its Sponsor does not require the Opportunity School to follow the provisions of Ohio Revised Code Chapter 5705; therefore, no budgetary information is presented in the basic financial statements.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of fiscal year 2020 the Opportunity School had \$7,808 net of accumulated depreciation invested in equipment. The following table shows fiscal years 2020 and 2019 balances:

	Business-Type Activities		Increase (Decrease)
	2020	2019	
Equipment	\$11,156	\$11,156	\$0
Less: Accumulated Depreciation	(3,348)	(2,232)	(1,116)
Totals	\$7,808	\$8,924	(\$1,116)

Additional information on the Opportunity School's capital assets can be found in Note 3.

#### Debt

The Opportunity School has not issued any debt.

### ECONOMIC FACTORS

The Opportunity School relies solely upon State foundation to fund its General Fund operations. Enrollment remains relatively stable. Any increase in State Foundation would only come from biennial budget changes. In addition to these local challenges, another challenge facing the Opportunity School is the future of state funding. In conclusion, the Opportunity School management has committed itself to financial prudence in the years to come.

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Opportunity School's finances and to show the Opportunity School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dan Lamb, Treasurer Coshocton Opportunity School.

---

---

**COSHOCTON OPPORTUNITY SCHOOL**

---

---

***Statement of Net Position***  
***June 30, 2020***

---

**Assets:**

*Current Assets:*

Cash and Cash Equivalents	\$ 244,273
Receivables:	
Intergovernmental	1,234
Prepaid Items	3,100
<b>Total Current Assets</b>	<u>248,607</u>

*Non Current Assets:*

Capital Assets, Net of Accumulated Depreciation	7,808
<b>Total Assets</b>	<u>256,415</u>

**Liabilities:**

*Current Liabilities:*

Accounts Payable	444
Intergovernmental Payable	19,131
<b>Total Liabilities</b>	<u>19,575</u>

**Net Position:**

Investment in Capital Assets	7,808
Restricted For:	
TANF Program	7,098
Donated Purposes	1,574
Student Wellness and Success Federal Programs	25,000
IDEA-B Federal Programs	500
Title I Federal Programs	1,043
Title IV-A Federal Programs	451
Unrestricted	193,366
<b>Total Net Position</b>	<u>\$ 236,840</u>

See accompanying notes to the basic financial statements

## ***COSHOCTON OPPORTUNITY SCHOOL***

---

### ***Statement of Revenues, Expenses and Changes in Net Position For the Fiscal Year Ended June 30, 2020***

---

**Operating Revenues:**

Foundation Payments	\$ 319,598
Tuition and Fees	200
<b>Total Operating Revenues</b>	<u>319,798</u>

**Operating Expenses:**

Purchased Services	379,991
Materials and Supplies	15,031
Depreciation	1,116
Other Operating Expense	24,999
<b>Total Operating Expenses</b>	<u>421,137</u>

Operating Loss (101,339)

**Nonoperating Revenues (Expenses):**

Federal and State Restricted Grants	114,116
State Unrestricted Grants	12,596
Contributions and Donations	9,000
Investment Earnings	519
<b>Total Nonoperating Revenues (Expenses)</b>	<u>136,231</u>

Change in Net Position	34,892
Net Position Beginning of Year	201,948
Net Position End of Year	<u>\$ 236,840</u>

See accompanying notes to the basic financial statements

## ***COSHOCTON OPPORTUNITY SCHOOL***

---

### ***Statement of Cash Flows*** ***For the Fiscal Year Ended June 30, 2020***

---

<u>Cash Flows from Operating Activities:</u>	
Cash Received for School Foundation	\$348,564
Cash Received from Other Revenue	200
Cash Payments for Goods and Services	(390,146)
Cash Payments for Other Expenses	(24,999)
Net Cash Used by Operating Activities	<u>(66,381)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Federal and State Grants Received	125,478
Other Grants	9,000
Net Cash Provided by Noncapital Financing Activities	<u>134,478</u>
<u>Cash Flows from Investing Activities:</u>	
Receipt of Interest	519
Net Cash Provided by Investing Activities	<u>519</u>
Net Increase in Cash and Cash Equivalents	68,616
Cash and Cash Equivalents at Beginning of Year	175,657
Cash and Cash Equivalents at End of Year	<u><u>\$244,273</u></u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Loss	(\$101,339)
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Depreciation Expense	1,116
Changes in Assets and Liabilities:	
Decrease in Intergovernmental Receivable	14,323
Increase in Prepaid Items	(56)
Increase in Accounts Payable	444
Increase in Intergovernmental Payable	19,131
Total Adjustments	<u>34,958</u>
Net Cash Used by Operating Activities	<u><u>(\$66,381)</u></u>

See accompanying notes to the basic financial statements

# ***COSHOCTON OPPORTUNITY SCHOOL***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

Coshocton Opportunity School, Coshocton, Ohio (the “Opportunity School”) 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 tax-exempt status. The Opportunity School operates to provide a safe and supportive learning environment for non-traditional high school students, where a motivating, standards based curriculum will prepare students for employment and lifelong learning. The focus of the curriculum is to meet the requirements for the passage of the Ohio Graduation Test in the areas of reading, mathematics, writing, social studies, and science, and to meet all other requirements for high school graduation. The Opportunity School, which is part of the State’s education program, is nonsectarian in its programs, admissions policies, employment practices and all other operations.

The Opportunity School was certified by the Ohio Secretary of State as a non-profit organization on December 2, 2004. The Opportunity School began accepting students on March 9, 2006. On December 15, 2018, the Ohio Department of Education assumed sponsorship of the Opportunity School from the Coshocton City School District. The Sponsor is responsible for evaluating the performance of the Opportunity School and has the authority to deny renewal of the contract at its expiration. See Note 5 for further detail on the sponsor contract.

The Opportunity School operates under the direction of a five-member Governing Authority. The Governing Authority 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 accounting policies and financial reporting practices of the Opportunity School conform to generally accepted accounting principles as applicable 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 following is a summary of its significant accounting policies.

## ***COSHOCTON OPPORTUNITY SCHOOL***

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

---

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **B. Basis of Presentation - Fund Accounting**

The Opportunity School's basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. Enterprise reporting focuses on the determination of the change in net position and cash flows.

##### **C. Measurement Focus**

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the Opportunity School finances and meets the cash flow needs of its enterprise activities.

##### **D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

***Revenues – 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 Opportunity School receives value without directly giving equal value in return, include grants and entitlements. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows of resources.



# ***COSHOCTON OPPORTUNITY SCHOOL***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **D. Basis of Accounting** (Continued)

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 Opportunity School must provide local resources to be used for a specified purpose, and expense requirements, in which the resources are provided to the Opportunity School on a reimbursement basis.

#### **E. Budgetary Process**

Community schools are statutorily required to adopt a budget by Ohio Revised Code 3314.032(C). However, unlike traditional public schools located in the State of Ohio, community schools are not required to follow the specific budgetary process and limits set forth in the Ohio Revised Code Chapter 5705, unless specifically provided in the contract with the Sponsor. The contract between the Opportunity School and its Sponsor does not require the Opportunity School to follow the provisions of Ohio Revised Code Chapter 5705; therefore, no budgetary information is presented in the basic financial statements.

#### **F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, a money market account, and investments with original maturities of three months or less. During fiscal year 2020, the Opportunity School had no investments.

#### **G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

#### **H. Capital Assets and Depreciation**

Capital assets are defined by the Opportunity School as an asset which has a useful life of at least one year and an initial cost equal to or exceeding \$5,000.

##### **1. Property, Plant and Equipment**

Property, plant and equipment acquired by the Opportunity School are stated at cost (or estimated historical cost). Contributed capital assets are recorded at acquisition value at the date received.

---

---

***COSHOCTON OPPORTUNITY SCHOOL***

---

---

***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020***

---

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Capital Assets and Depreciation (Continued)**

2. Depreciation

All capital assets are depreciated excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Furniture, Fixtures and Equipment	5

**I. Net Position**

Net position represents the difference between assets, liabilities, and deferred outflows/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 use either through the enabling legislation adopted by the Opportunity School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Opportunity School policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**J. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**K. Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Opportunity School, these revenues are foundation payments. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# ***COSHOCTON OPPORTUNITY SCHOOL***

---

## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **L. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Opportunity School reports no deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Opportunity School reports no deferred inflows of resources.

### **NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

At fiscal year end the carrying amount of the Opportunity School's deposits was \$244,273 and the bank balance was \$244,640. The Federal Deposit Insurance Corporation (FDIC) covered the entire bank balance. There are no significant statutory restrictions regarding the deposit and investment of funds by the nonprofit corporation.

Custodial credit risk is the risk that, in the event of a bank failure, the Opportunity School will not be able to recover its deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

*Interest Rate Risk* – The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date.

*Concentration of Credit Risk* – The Opportunity School places no limit on the amount it may invest in one issuer.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Opportunity School will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Opportunity School had no investments at June 30, 2020.

**COSHOCTON OPPORTUNITY SCHOOL**

---

**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

---

**NOTE 3 - CAPITAL ASSETS**

Summary by category of changes in capital assets at June 30, 2020:

<i>Historical Cost:</i>				
Class	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
<b>Capital Assets being depreciated:</b>				
Equipment	\$11,156	\$0	\$0	\$11,156
Total Cost	\$11,156	\$0	\$0	\$11,156
 <i>Accumulated Depreciation:</i>				
Class	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Equipment	(\$2,232)	(\$1,116)	\$0	(\$3,348)
Total Depreciation	(\$2,232)	(\$1,116)	\$0	(\$3,348)
 <i>Net Value:</i>	\$8,924			\$7,808

**NOTE 4 – OPERATING LEASE**

The Opportunity School leases portions of a building from the Coshocton City School District. In fiscal year 2020 the Opportunity School made monthly lease payments of \$2,182.

The Opportunity School will make monthly lease payments of \$2,237 in fiscal year 2021.

## ***COSHOCTON OPPORTUNITY SCHOOL***

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

---

#### **NOTE 5 - SPONSOR CONTRACT**

Effective December 15, 2018, the Ohio Department of Education took over sponsorship of the Opportunity School. As sponsor, the Ohio Department of Education is responsible for the following:

- Monitoring the Opportunity School's compliance with the laws applicable to the Opportunity School and with the terms of the contract;
- Monitoring and evaluating the academic and fiscal performance and the organization of the Opportunity School on at least an annual basis;
- Providing reasonable technical assistance to the Opportunity School in complying with the contract and with applicable laws (provided, however, the Sponsor shall not be obligated to give legal advice to the Opportunity School);
- Taking steps to intervene in the Opportunity School's operations at the Sponsor's discretion to correct problems in the Opportunity School's overall performance, declare the Opportunity School to be on probationary status pursuant to ORC Section 3314.073, suspend operation of the Opportunity School pursuant to ORC Section 3314.072, or terminate or non-renew the contract pursuant to ORC Section 3314.07, as determined necessary by the Sponsor;
- Establishing and/or requiring a plan of action to be undertaken if the Opportunity School experiences financial difficulties or closes before the end of the school year. Such plan or requirements for such plan shall be set out by the Sponsor as and when financial difficulties arise in a customized tailored manner to address the source of difficulties; and
- Reporting on an annual basis the results of the annual financial evaluation performed on the Opportunity School by the Sponsor.

#### **NOTE 6 – RISK MANAGEMENT**

The Opportunity School 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. The Opportunity School renewed a policy with Liberty Mutual Insurance Company for general liability insurance and property insurance. The entire risk of loss, less any deductibles, transfers to the commercial carrier. Liberty Mutual Insurance Company provides general liability coverage up to \$1,000,000 each occurrence and \$1,000,000 aggregate.

Liberty Mutual Insurance Company provides property, crime, and equipment breakdown insurance coverage. The property coverage insures personal property up to a blanket limit of \$70,000 with a \$1,000 deductible. School Leaders errors and omissions covers up to \$1,000,000.

## ***COSHOCTON OPPORTUNITY SCHOOL***

---

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

---

#### **NOTE 7 - CONTINGENCIES**

##### **A. Grants**

The Opportunity School receives financial assistance from federal 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Opportunity School at June 30, 2020.

##### **B. Litigation**

The Opportunity School is not a party to any legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2020.

##### **C. Full Time Equivalency**

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by community 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. The conclusions of this review could result in state funding being adjusted. The Opportunity School does not anticipate any material adjustments to state funding for fiscal year 2020 as a result of such review.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

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

Coshocton Opportunity School  
Coshocton County  
1207 Cambridge Road  
Coshocton, Ohio 43812

To the Board of Directors:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Coshocton Opportunity School, Coshocton County, (the Opportunity School), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Opportunity School's basic financial statements and have issued our report thereon dated December 15, 2020.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Coshocton Opportunity School's internal control over financial reporting (internal control) as a basis for designing 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 Coshocton Opportunity 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 a 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 Opportunity 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 deficiencies in internal control 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 Coshocton Opportunity 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 financial statements. 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 Opportunity School's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Opportunity School's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
December 15, 2020



# OHIO AUDITOR OF STATE KEITH FABER



**COSHOCTON OPPORTUNITY SCHOOL**

**COSHOCTON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 2/9/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)