

**COSHOCTON OPPORTUNITY SCHOOL**

**COSHOCTON COUNTY**

**REGULAR AUDIT**

**JULY 1, 2022 – JUNE 30, 2023**



**WILSON, SHANNON & SNOW**  
**INC.**  
**CPAs & ADVISORS**



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Directors  
Coshocton Opportunity School  
1205 Cambridge Road  
Coshocton, Ohio 43812

We have reviewed the *Independent Auditor's Report* of the Coshocton Opportunity School, Coshocton County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2022 through June 30, 2023. 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. The Coshocton Opportunity School is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

January 03, 2024

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**COSHOCTON OPPORTUNITY SCHOOL  
COSHOCTON COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Coshocton Opportunity School  
Coshocton County  
1205 Cambridge Road  
Coshocton, Ohio 43812

To the Board of Directors:

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the Coshocton Opportunity School, Coshocton County, Ohio (the Opportunity School), as of and for the fiscal year ended June 30, 2023, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Coshocton Opportunity School, Coshocton County, Ohio as of June 30, 2023, and the changes in financial position and its cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Opportunity School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Opportunity School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Opportunity School's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Opportunity School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, on our consideration of the 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Opportunity School's 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 Opportunity School's internal control over financial reporting and compliance.

*Wilson, Shanna & Son, Inc.*

December 20, 2023  
Newark, Ohio



# ***COSHOCTON OPPORTUNITY SCHOOL***

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## ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2023***

***Unaudited***

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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, 2023. 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, 2023 was \$402,735.
- Operating revenues accounted for \$401,873 in revenue or 61% 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 and liabilities 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, 2023***

***Unaudited***

The following tables present the Opportunity School's condensed financial information for fiscal years 2023 and 2022 derived from the statement of net position and the statement of revenues, expenses, and changes in net position.

	Net Position	
	2023	2022
Current Assets	\$408,867	\$425,618
Capital Assets, Net	4,460	5,576
Total Assets	413,327	431,194
Other Liabilities	10,592	71,280
Total Liabilities	10,592	71,280
Net Position		
Investment in Capital Assets	4,460	5,576
Restricted	175,203	154,986
Unrestricted	223,072	199,352
Total Net Position	\$402,735	\$359,914

	Change in Net Position	
	2023	2022
Operating Revenues		
Foundation Payments	\$401,873	\$478,432
Total Operating Revenues	401,873	478,432
Operating Expenses		
Purchased Services	547,039	453,242
Materials and Supplies	31,471	47,366
Depreciation	1,116	1,116
Other Operating Expense	41,459	42,944
Total Operating Expenses	621,085	544,668
Operating Loss	(219,212)	(66,236)
Nonoperating Revenues		
Federal and State Restricted Grants	227,117	132,592
State Unrestricted Grants	25,816	13,396
Contributions and Donations	9,068	1,000
Investment Earnings	32	31
Total Nonoperating Revenues	262,033	147,019
Total Change in Net Position	42,821	80,783
Net Position Beginning of Year	359,914	279,131
Net Position End of Year	\$402,735	\$359,914

# COSHOCTON OPPORTUNITY SCHOOL

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2023

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 2023 indicate an increase in net position of \$42,821 and ending net position of \$402,735. A decrease in Foundation payments was offset by increases in various federal and state grants. An increase in expenses can be attributed to increased costs for instruction and rent.

### 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 2023 the Opportunity School had \$4,460 net of accumulated depreciation invested in equipment. The following table shows fiscal years 2023 and 2022 balances:

	Business-Type Activities		Increase (Decrease)
	2023	2022	
Equipment	\$11,156	\$11,156	\$0
Less: Accumulated Depreciation	(6,696)	(5,580)	(1,116)
Totals	\$4,460	\$5,576	(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**

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### ***Statement of Net Position*** ***June 30, 2023***

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**Assets:**

*Current Assets:*

Cash and Cash Equivalents	\$ 336,993
Receivables:	
Intergovernmental	66,834
Prepaid Items	5,040
<b>Total Current Assets</b>	<u>408,867</u>

*Non Current Assets:*

Capital Assets, Net of Accumulated Depreciation	4,460
<b>Total Assets</b>	<u>413,327</u>

**Liabilities:**

*Current Liabilities:*

Accounts Payable	6,443
Intergovernmental Payable	4,149
<b>Total Liabilities</b>	<u>10,592</u>

**Net Position:**

Investment in Capital Assets	4,460
Restricted For:	
TANF Program	7,098
Donated Purposes	2,274
Student Wellness and Success Federal Programs	93,582
Coronavirus Relief	28,014
IDEA-B Federal Programs	3,840
Title I Federal Programs	31,772
Title II-A Federal Programs	6,013
Title IV-A Federal Programs	2,610
Unrestricted	223,072
<b>Total Net Position</b>	<u>\$ 402,735</u>

See accompanying notes to the basic financial statements

## ***COSHOCTON OPPORTUNITY SCHOOL***

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### ***Statement of Revenues, Expenses and Changes in Net Position For the Fiscal Year Ended June 30, 2023***

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<b>Operating Revenues:</b>	
Foundation Payments	\$ 401,873
<b>Total Operating Revenues</b>	<u>401,873</u>
<b>Operating Expenses:</b>	
Purchased Services	547,039
Materials and Supplies	31,471
Depreciation	1,116
Other Operating Expense	41,459
<b>Total Operating Expenses</b>	<u>621,085</u>
Operating Loss	(219,212)
<b>Nonoperating Revenues:</b>	
Federal and State Restricted Grants	227,117
State Unrestricted Grants	25,816
Contributions and Donations	9,068
Investment Earnings	32
<b>Total Nonoperating Revenues</b>	<u>262,033</u>
Change in Net Position	42,821
Net Position Beginning of Year	<u>359,914</u>
Net Position End of Year	<u>\$ 402,735</u>

See accompanying notes to the basic financial statements

## ***COSHOCTON OPPORTUNITY SCHOOL***

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### ***Statement of Cash Flows*** ***For the Fiscal Year Ended June 30, 2023***

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<u>Cash Flows from Operating Activities:</u>	
Cash Received for School Foundation	\$411,284
Cash Payments for Goods and Services	(643,194)
Cash Payments for Other Expenses	(42,265)
Net Cash Used by Operating Activities	<u>(274,175)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Federal and State Grants Received	249,585
Contributions and Donations Received	9,068
Net Cash Provided by Noncapital Financing Activities	<u>258,653</u>
<u>Cash Flows from Investing Activities:</u>	
Receipt of Interest	32
Net Cash Provided by Investing Activities	<u>32</u>
Net Decrease in Cash and Cash Equivalents	(15,490)
Cash and Cash Equivalents at Beginning of Year	352,483
Cash and Cash Equivalents at End of Year	<u><u>\$336,993</u></u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used by Operating Activities:</u>	
Operating Loss	(\$219,212)
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	5,262
Increase in Prepaid Items	(653)
Increase in Accounts Payable	3,413
Decrease in Rent Payable	(56,540)
Decrease in Intergovernmental Payable	(7,561)
Total Adjustments	<u>(54,963)</u>
Net Cash Used by Operating Activities	<u><u>(\$274,175)</u></u>

See accompanying notes to the basic financial statements

# ***COSHOCTON OPPORTUNITY SCHOOL***

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023***

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### **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***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023***

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#### **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***

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023***

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### **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 2023, the Opportunity School had no investments.

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

Payments made to vendors for services that will benefit periods beyond June 30, 2023, 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.

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***COSHOCTON OPPORTUNITY SCHOOL***

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023***

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**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 and liabilities. 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***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023***

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#### **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 \$336,993 and the bank balance was \$380,021. Federal depository insurance covered \$295,000 of the bank balance and \$85,021 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the Opportunity School's name and securities held in the Ohio Pooled Collateral System. 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, 2023.

**COSHOCTON OPPORTUNITY SCHOOL**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023***

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**NOTE 3 - CAPITAL ASSETS**

Summary by category of changes in capital assets at June 30, 2023:

<b><i>Historical Cost:</i></b>				
Class	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
<b><i>Capital Assets being depreciated:</i></b>				
Equipment	\$11,156	\$0	\$0	\$11,156
Total Cost	\$11,156	\$0	\$0	\$11,156
 <b><i>Accumulated Depreciation:</i></b>				
Class	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Equipment	(\$5,580)	(\$1,116)	\$0	(\$6,696)
Total Depreciation	(\$5,580)	(\$1,116)	\$0	(\$6,696)
 <b><i>Net Value:</i></b>	 \$5,576			 \$4,460

**NOTE 4 – LEASE**

The Opportunity School leases portions of a building from the Coshocton City School District. The lease agreement is for monthly lease payments of \$2,350 in fiscal year 2023. Either party to the lease agreement may terminate the agreement at the conclusion of each school year. As a result, this lease agreement is considered a short term lease, and no long term lease liability is reported.

## ***COSHOCTON OPPORTUNITY SCHOOL***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023***

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#### **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 \$3,000,000 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***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2023***

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#### **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, 2023.

##### **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, 2023.

##### **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 2023 as a result of such review.

#### **NOTE 8 – CHANGE IN ACCOUNTING PRINCIPLE**

For fiscal year 2023, the Opportunity School implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. The implementation of GASB 96 did not have an effect on the financial statements of the Opportunity School.

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

Coshocton Opportunity School  
Coshocton County  
1205 Cambridge Road  
Coshocton, Ohio 43812

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Coshocton Opportunity School, Coshocton County, (the Opportunity School) as of and for the fiscal year ended June 30, 2023, 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 20, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Opportunity School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Opportunity School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Opportunity School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Opportunity School's financial statements will not be prevented, or detected and corrected, on a timely basis. 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, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Opportunity School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Opportunity School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Opportunity School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wilson, Shanna & Sons, Inc.*

December 20, 2023  
Newark, Ohio



# 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 1/16/2024**

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)