



**BOARD OF OLYMPUS HIGH SCHOOLS - COLUMBUS
FRANKLIN COUNTY**

AGREED-UPON PROCEDURES

FOR THE PERIOD JULY 1, 2013 - JULY 14, 2014



Dave Yost • Auditor of State

**BOARD OF OLYMPUS HIGH SCHOOLS - COLUMBUS
FRANKLIN COUNTY**

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

Board of Olympus High Schools - Columbus
Franklin County
40 Hill Road South
Pickerington, OH 43147

We have performed the procedures enumerated below, with which the Board of Directors and Sponsor who preside over all four schools, and the management of Olympus High School – Columbus East, Olympus High School – Columbus Northeast, Olympus High School – Columbus Southwest, and Olympus High School – Columbus West (the Schools) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the period of July 1, 2013 to July 14, 2014, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance 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.

The Schools suspended operations on October 18, 2013 and have yet to re-open or close at the date of the report. Section 3.4 Disposition of Assets of the Sponsorship Agreement states that to the extent permitted under Chapter 1702 of the Ohio Revised Code and the Internal Revenue Code with respect to a School which is a 501(c)(3) tax exempt organization, if the School permanently closes or ceases operation for any reason, then the School and School Governing Authority agree to distribute all assets in accordance with Section 3314.074 of the Ohio Revised Code. The School shall comply with the closing procedures as agreed to in Attachment 3.4.

This report only describes exceptions exceeding \$10. Unless otherwise indicated, the procedures enumerated below were performed for all four schools described in paragraph one above.

Cash

1. We tested the mathematical accuracy of the June 30, 2014 bank reconciliation. We found no exceptions.
2. We agreed the totals per the bank reconciliation to the total of June 30, 2014 fund cash balances reported in the cash fund balance report. The amounts agreed.
3. We confirmed the May 31, 2014 bank account balances with the Schools' financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the May 31, 2014 bank reconciliation without exception.
4. We scanned the bank statements and accounting ledgers from November 2013 (the first full month after the Schools suspended) through the report date for any additional revenue or expenses. We noted no additional revenue or expense transactions.

Foundation Cash Receipts

1. We selected all receipts from the Ohio Administrative Knowledge System (OAKS) covering the period.
 - a. For foundation receipts:
 - i. We compared the amount from the above report to the net amount on the Community School Foundation Statement of Settlement Report (the Settlement Report). The amounts agreed.
 - ii. We compared the gross amount on the Settlement Reports to the amount recorded in the receipt ledger. The amounts agreed.
 - iii. We scanned the receipt ledger to determine whether it included one foundation payment each month for the months of July through October. We noted the receipt ledger included one foundation receipt for each month. However, the October receipt was subsequently returned to ODE for each school based on the suspension of the schools.
 - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper period. We found no exceptions.
 - d. We reviewed the final FTE evaluation performed by the Ohio Department of Education (ODE) and determined whether the proper remittance was made by the Schools to ODE, as applicable and whether any significant issues were identified. We noted all Schools have not yet made the required remittances to ODE, totaling \$108,979.36 for Columbus East, \$106,395.72 for Columbus Northeast, \$88,023.76 for Columbus Southwest, and \$96,102.64 for Columbus West.

Debt

1. We inquired of management, and scanned the receipt and expenditure ledgers for evidence of debt issued, any debt payment activity during the audit period, or any "on behalf" of assistance received from the sponsor, management company, or other stakeholders. No such activity or assistance was noted.

Payroll Cash Disbursements

1. We scanned the last remittance of retirement withholdings for the period to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
STRS Retirement – Columbus East	9/30/2013	9/13/2013	\$2,500	\$2,500
STRS Retirement – Columbus Northeast	9/30/2013	9/13/2013	\$2,500	\$2,500
STRS Retirement – Columbus Southwest	9/30/2013	9/13/2013	\$2,500	\$2,500
STRS Retirement – Columbus West	9/30/2013	9/13/2013	\$2,500	\$2,500
SERS Columbus East	4/15/2014	N/A	\$9,083.14	\$0
SERS Columbus Northeast	4/15/2014	N/A	\$9,499.26	\$0
SERS Columbus Southwest	4/15/2014	N/A	\$12,369.34	\$0
SERS Columbus West	4/15/2014	N/A	\$9,738.65	\$0

Payroll Cash Disbursements (Continued)

As noted above, as of the date of this report, the Schools have not paid SERS the amount due as required by Ohio Rev. Code Sections 145.47 and 145.48. The Auditor of State will notify SERS of this matter.

Non-Payroll Cash Disbursements

1. We haphazardly selected eight disbursements from the non-payroll expenditure ledger for the period and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the expenditure ledger and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
2. We selected four disbursements paid to the management company and determined whether the amounts paid by the school were in compliance with the management company agreement. We noted no exceptions.
3. We scanned the non-payroll expenditure ledger for the period to determine whether any unusual expenditures (i.e. expenditures other than expected salary payments, monthly utility expenses, monthly management company expenses, sponsor fees) were made after the suspension date. We found no exceptions.

Compliance

1. We selected 4 students from the community school's withdrawal lists to determine if the community school was in compliance with Ohio Rev. Code Sections 3313.64, 3314.03, and 3314.08:
 - a. Identified when students were withdrawn and determined whether it was timely. We found no exceptions.
 - b. Using grade records and/or attendance records, determined the last day students were reported as attending the community school. All agreed to the withdrawal list.
 - c. We compared the dates determined in the steps above to the SOES or other student management database reports. We found no exceptions.
 - d. We considered whether the number of reported students was reasonable considering the size of the facility. The number of reported students was reasonable.
2. We inquired of management if other student headcount lists exist that were prepared independently from those responsible for preparing the ADM counts. No other student headcount lists existed.
3. We compared estimated enrollment reported per the Foundation Settlement Statement in July to the Ohio Department of Education Final Full Time Equivalent calculation as of October. If significant variances were noted, we reviewed supporting documentation for when the Sponsor was informed of variances.

School	Enrollment – July Foundation	Enrollment – October FTE
Columbus East	87.5	7
Columbus Northeast	87.5	16
Columbus Southwest	87.5	48
Columbus West	87.5	37

Compliance (Continued)

We noted the Sponsor was informed of the decrease in enrollment. We reviewed the Opening Assurances and Notice of Intent to Suspend showing the Sponsor attributed the decreased enrollment to the Schools opening late. Correspondence between the Sponsor and Ohio Department of Education dated October 18, 2013 reflected that the Sponsor suspended the schools due to the schools not meeting enrollment requirements.

4. We inquired with the Sponsor to determine whether the Sponsor met with the Board or Treasurer of the Schools and reviewed the financial and enrollment records of the Schools at least once every month in compliance with Ohio Rev. Code § 3314.023. No exceptions were noted.
5. We reviewed the compensation of the Board members for compliance with Ohio Rev. Code § 3314.02(E)(4) to ensure each Board member was not paid more than \$425 per meeting or a maximum of \$5,000 per year. We noted no exceptions.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Schools' receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do 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, those charged with governance, the Sponsor, and others within the Schools, 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

July 14, 2014



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

Board of Olympus High Schools - Columbus
Franklin County
40 Hill Road South
Pickerington, OH 43147

We have performed the procedures enumerated below, with which the Board of Directors and Sponsor who preside over all four schools and the management of Olympus High School – Columbus East, Olympus High School – Columbus Northeast, Olympus High School – Columbus Southwest, and Olympus High School – Columbus West (the Schools) agreed, solely to assist the Ohio Department of Education (ODE) in evaluating whether the School completed the ODE Community School Closing Procedures for these Schools that were suspended effective October 18, 2013. 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 performed agreed-upon procedures 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* over the financial activity of the Schools, and have issued our report thereon date July 14, 2014.

The Schools suspended operations on October 18, 2013 and have yet to re-open or close at the date of the report. Section 3.4 Disposition of Assets of the Sponsorship Agreement states that to the extent permitted under Chapter 1702 of the Ohio Revised Code and the Internal Revenue Code with respect to a School which is a 501(c)(3) tax exempt organization, if the School permanently closes or ceases operation for any reason, then the School and School Governing Authority agree to distribute all assets in accordance with Section 3314.074 of the Ohio Revised Code. The School shall comply with the closing procedures as agreed to in Attachment 3.4.

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. A school is officially suspended when instruction is no longer taking place and the sponsor issues an official notice which states the date and reason for the schools' suspension.
 - a. We inspected the official notice to ODE that the schools were suspended, which contained the official sponsor notice. We noted no exceptions.
 - b. We noted this notice occurred within 24 hours of the action which included the date of suspension of the schools. The schools were suspended on October 18, 2013. We noted no exceptions.
2. We inspected the formal letter from the school governing authority and the sponsor notifying parents that the school was suspended. We noted that this letter was dated within 24 hours of the action, and included: the reason for the suspension of the school, length of suspension, 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 suspension 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 the schools' records, property and assets immediately when the schools suspended. We noted no exceptions.
 - a. We scanned student records to determine if they were put in order and if transcript materials were produced. We noted no exceptions.
 - b. We inspected the final FTE review by the Ohio Department of Education to determine that it was completed within 30 days of suspension. We noted no exceptions.
 - c. We inquired of the resident district(s) if copies of student records were provided by the community school, within seven business days of suspension of the community school as defined in section 3314.44 of the revised code. We noted the records were received on November 25, 2013 and November 26, 2013, respectively, which did not meet the required timeframe.
 - d. We inquired of the receiving school if special education records were provided for all students with disabilities. We noted no exceptions.
5. We inspected the written notice to the Schools' staff from the governing authority of the decision to suspend the schools. This notice included the following:
 - a. Provided a clear written timeline of the suspension process;
 - b. Clarified COBRA benefits and when medical benefits end;
 - c. Reminded the faculty of their obligation to teach up to the date of suspension or otherwise determine that the school is properly staffed up to the time of suspension;
 - d. Provided sponsor contact information.We noted no exceptions.
6. We confirmed with the State Teachers Retirement System (STRS) and the State Employees Retirement System (SERS) if the Schools contributions are current. No exceptions were noted with contributions to STRS; however, contributions are owed for SERS totaling \$9,083.14 for Columbus East, \$9,499.26 for Columbus Northeast, \$12,369.34 for Columbus Southwest, and \$9,738.65 for Columbus West.

Initial Notifications, Student Records and School Records (Continued)

The Sponsor has responded to item number 4(c) discussed above in this Independent Accountants' Report on Applying Agreed Upon Procedures - Closeout. You may obtain a copy of their response from Dave Cash, Sponsor Representative at 614-837-8945.

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 and sponsor were both retained.
2. We inquired of the Schools to determine if any capital assets had been purchased from state or federal dollars (including Public Charter School Program (PCSP)). The Schools did not purchase any capital assets.
3. We inquired of the Schools if they received computer hardware or software from the former Ohio SchoolNet commission or the former eTech Ohio commission. The Schools had no such computer hardware or software.
4. 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.
5. We inquired if the Schools had any real property acquired from a public school district. The Schools had no such property.
6. We scanned the Schools' 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 system 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. Any remaining funds shall be forwarded to ODE for redistribution to resident school districts consistent with ORC 3314.074 (A);
 - f. 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 no exceptions. In addition, no court order was noted in item f.

Preparation of Itemized Financials

1. We scanned the following documents to determine such had been prepared:
 - a. 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;
 - b. Compile bank statements for the year;
 - c. List of all payables and indicate when a check to pay the liability clears the bank;
 - d. List all unused checks (collect and void all unused checks);

Preparation of Itemized Financials (Continued)

- e. List of bank accounts, closing the accounts once all transactions are cleared;
- f. List of all accounts receivable.
- g. FTE review complete and submit a copy of the Certification Form signed at the FTE review.

We noted no exceptions.

Final Payments and Adjustments

1. The sponsor shall continually monitor the condition of the suspended schools and be prepared to receive or transmit funds on behalf of the schools as directed by an appropriate agency. We inspected the Schools ledgers to determine that:
 - a. Any funds received or adjustments were credited to the account of the suspended schools.
 - 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.

Except for funds remaining in the Schools' bank accounts totaling \$134.92 for Columbus Northeast and \$135 for each of the remaining three schools, we noted no exceptions.

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



Dave Yost
Columbus, Ohio
Auditor of State

July 14, 2014



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BOARD OF OLYMPUS HIGH SCHOOLS- COLUMBUS

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
SEPTEMBER 9, 2014**