



**TALENTED TENTH LEADERSHIP ACADEMY FOR GIRLS
FRANKLIN COUNTY**

**AGREED UPON PROCEDURES
OHIO DEPARTMENT OF EDUCATION CLOSE OUT PROCEDURES**

CLOSED SEPTEMBER 30, 2014



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Terry Conley, Deputy Superintendent
North Central Ohio Educational Service Center
And
Board of Directors
Talented Tenth Leadership Academy for Girls
Marion County
333 East Center Street
Marion, Ohio 43302

We have performed the procedures enumerated below, with which the Board of Directors, Sponsor, and the management of *Talented Tenth Leadership Academy for Girls* (the School) agreed, solely to assist the Ohio Department of Education (ODE) in evaluating whether the School completed the ODE Community School Closing Procedures for this School that closed effective September 30, 2014. Management is responsible for recording transactions; and management, the Board, and the Sponsor are responsible for complying with the Closing Procedure requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. In addition, we have audited, in accordance with standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the School for the period of July 1, 2013 to September 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated July 18, 2016.

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 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.
 - a. We inspected the official notice to ODE that the school was closing, which contained an official sponsor notice from the superintendent. No exception noted.
 - b. We noted this notice occurred within 24 hours of the action which included the date of closing of the school. The school was closed on September 30, 2014 date. No exception noted.
2. We inspected the formal letter from the school governing authority and the sponsor superintendent notifying parents that the school was closing. We noted that this letter was dated within 24 hours of the action, and included: the reason for the closing of the school, options for enrolling in another community school, traditional schools or nonpublic schools and contact information. Per review of the letter noted above, there was an indication that a letter was drafted to be provided to parents and employees of the school. However, we were unable to inspect the letter sent to parents and teachers.
3. We inquired of the Sponsor if they took control of and secured all school records, property and assets immediately when the school closed.
 - a. We scanned student records to determine if they were put in order and if transcript materials were produced. We were unable to scan student records as the records were not available.
 - b. We inspected the final FTE review by the Ohio Department of Education to determine that it was completed. No exception noted.
 - c. We inquired of the resident district(s) if copies of student records were provided by the community school, within seven business days of closure of the community school as defined in section 3314.44 of the revised code.
 - d. We inquired of the receiving school if special education records were provided for all students with disabilities.

We inquired with the Sponsor to review EMIS reports to allow us to select resident districts to perform steps 4c and 4d. According to the Sponsor, which also performed EMIS services for the school, they never received any attendance data to enter into EMIS. Thus these steps could not be completed.

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 Sponsor was retained.
2. We inquired of the School and inspected the capital asset listing to determine if the School had any assets which had been purchased with federal dollars No such assets were noted. The Academy's Treasurer nor the Sponsor were able to provide us with a list of assets purchased. However, the Sponsor provided us with documentation that the Academy's assets were sold by a third party at an auction. The Sponsor only provided us with a list of receipts to show the allocation for the proceeds from the sale of these assets which we were able to tie the total proceeds to the confirmation received from the third party. In the Academy's case, the allocation was made to both the Talented Tenth Leadership Academy Boys and Girls schools. The Sponsor in turn divided the proceeds between the two Academies. Due to the Academy's bank account being closed at the time of the sale of assets the Sponsor is holding \$691 in proceeds at the date of this report.

Disposition of Assets (Continued)

We recommend the Sponsor follow the requirements as noted in step 7 below to determine what responsibilities the Sponsor has with these proceeds.

3. We inquired of the School if they received computer hardware or software from the former Ohio SchoolNet commission or the former eTech Ohio commission. The School 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.No exception noted
5. We inquired if the School had any real property acquired from a public school district. The School had no such property.
6. We inquired of the School and inspected the capital asset listing to determine if the School had any assets which had been purchased with National School Lunch Program federal dollars. The capital asset listing identified assets purchased with National School Lunch Program federal dollars. No such capital assets were noted.
7. We scanned the School's expenditure ledger to determine if they utilize only state dollars, auction proceeds, foundation dollars and any other non-federal dollars to pay the following, in order:
 - a. Any outstanding federal or state claims that may need to be paid first including but not limited to including federal and state taxes, Medicare, Workers Compensation, and city wage taxes;
 - b. STRS/SERS/retirement systems and other adjustments;
 - c. Teachers and staff;
 - d. Private creditors or those entities that have secured a judgment against the school, including audit preparation and audit costs (prepared financials);
 - e. If the assets of the school are insufficient to pay all persons or entities to which compensation is owed, the prioritization of the distribution of the assets to individual persons or entities within each class of payees may be determined by decree of a court in accordance section 3314.074 and Chapter 1702 of the Ohio Revised Code.
8. Auction proceeds totaling \$691 are being held by the Sponsor in their bank account until they receive approval from their legal counsel to pay out the funds. Furthermore, The Sponsor couldn't provide the Auditors with a complete list of Liabilities as the former Director would purchase items or make expenditures ahead of time without notifying the Treasurer. There is no way of determining if there are liabilities remaining; other than the \$26,192 still owed to the Sponsor. In addition, no court order was noted in item e.

Preparation of Itemized Financials

1. We scanned the following documents to determine such had been prepared:
 - a. Year-end financial statements, notes to the financial statements and if applicable schedule of federal awards; we noted no exceptions.
 - b. A cash analysis (taking the previous month's recap and reconciliation of bank accounts to books) for determination of the cash balance as of the closing date; we noted no exceptions.
 - c. Compile bank statements for the year; we noted no exceptions.
 - d. List of investments in paper hard copy format The School did not have investments.

Preparation of Itemized Financials (Continued)

- e. List of all payables and indicate when a check to pay the liability clears the bank; The School had no money or assets as of March 31, 2014 and therefore no list of payables was created.
- f. List all unused checks (collect and void all unused checks); we noted no exceptions.
- g. List of any petty cash; The School did not have petty cash.
- h. List of bank accounts, closing the accounts once all transactions are cleared; we noted no exceptions.
- i. List of all payroll reports including taxes, retirement or adjustments on employee contract. The School did not have employees, we noted no exception.
- j. List of all accounts receivable. We noted no exceptions.
- k. List of assets and their disposition. See exception noted above.
- l. FTE review complete and submit a copy of the Certification Form signed at the FTE review. No exception noted

Final Payments and Adjustments

- 1. The sponsor shall continually monitor the condition of the closed school and be prepared to receive or transmit funds on behalf of the school as directed by an appropriate agency. We inspected the School ledgers to determine that:
 - a. Any funds received or adjustments were credited to the account of the closed school.
 - 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.
- 2. As noted above, proceeds from the sale of assets in the amount of \$691 are being held by the Sponsor in their bank account and ledgers until they receive approval from their legal counsel to pay out the funds. No other exceptions noted.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the School's compliance 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 School's sponsor, the Ohio Department of Education, those charged with governance, and others within the School, 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 18, 2016



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TALENTED TENTH LEADERSHIP ACADEMY FOR GIRLS

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
AUGUST 16, 2016**