

***METRO EARLY COLLEGE HIGH SCHOOL***  
***FRANKLIN COUNTY***

Single Audit

For the Year Ended June 30, 2024







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Columbus, Ohio 43215  
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Board Members  
Metro Early College High School  
1929 Kenny Road  
Columbus, Ohio 43210

We have reviewed the *Independent Auditor's Report* of the Metro Early College High School, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2023 through June 30, 2024. 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 Metro Early College High 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

March 25, 2025

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**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY  
SINGLE AUDIT  
For the Year Ending June 30, 2024**

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**INDEPENDENT AUDITOR'S REPORT**

Metro Early College High School  
Franklin County  
1929 Kenny Road  
Columbus, Ohio 43210

To the Governing Board:

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

***Opinion***

We have audited the financial statements of the Metro Early College High School, Franklin County, Ohio (the School), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the 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 respective financial position of the School as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the 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 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 opinions.

***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 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 opinions. 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 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 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.

***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, on our consideration of the 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 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 School's internal control over financial reporting and compliance.

*Charles E. Harris & Associates*

**Charles E. Harris & Associates, Inc.**

December 27, 2024

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

The management's discussion and analysis of the Metro Early College High School's (the "School") financial performance provides an overall review of the School's financial activities for the fiscal year ending June 30, 2024. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2024 are as follows:

- Net position at June 30, 2024 was \$58,056,569, including unrestricted net position of \$13,256,744. This represents an increase of \$8,517,107 compared to the prior year's net position.
- The School had total revenues of \$19,289,491 including operating revenues of \$8,362,467 and non-operating revenues of \$10,927,024; these revenues supported operating expenses of \$10,753,951 and non-operating expenses of \$18,433 during fiscal year 2024.

### **Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School's financial activities. The statement of net position and statement of revenues, expenses and changes in net position provide information about the activities of the School, including all short-term and long-term financial resources and obligations. The statement of cash flows provides information about how the School finances and meets the cash flow needs of its operations.

### **Reporting the School Financial Activities**

#### ***Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows***

These documents look at all financial transactions and ask the question, "How did the School perform financially during 2024?" The statement of net position and the statement of revenues, expenses and changes in net position answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's net position and changes in net position. This change in net position is important because it tells the reader that, for the School as a whole, the financial position of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 8 and 9 of this report. The statement of cash flows can be found on page 10.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes to the basic financial statements can be found on pages 12-22 of this report.

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

The table below provides a summary of the School's net position at June 30, 2024 and 2023.

	<b>Net Position</b>	
	<u>2024</u>	<u>2023</u>
<b><u>Assets</u></b>		
Current assets	\$ 32,452,922	\$ 42,198,372
Capital assets, net	<u>30,847,349</u>	<u>9,820,189</u>
Total assets	<u>63,300,271</u>	<u>52,018,561</u>
<b><u>Liabilities</u></b>		
Current liabilities	5,069,743	2,161,515
Long-term liabilities	<u>173,959</u>	<u>317,584</u>
Total liabilities	<u>5,243,702</u>	<u>2,479,099</u>
<b><u>Net position</u></b>		
Net investment in capital assets	26,875,078	8,413,769
Restricted	17,924,747	33,846,177
Unrestricted	<u>13,256,744</u>	<u>7,279,516</u>
Total net position	<u>\$ 58,056,569</u>	<u>\$ 49,539,462</u>

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the School's assets exceeded liabilities by \$58,056,569. Of this total, \$17,924,747 is restricted in use and \$13,256,744 is unrestricted.

**Assets**

Current assets consist primarily of cash and cash equivalents and receivables. Intergovernmental receivables decreased as the School continues to draw on the total balance from the Ohio Facilities Construction Commission grant. These resources are restricted in use and therefore reported as a component of restricted net position. The School's capital assets at June 30, 2024 consist of land, construction in progress, furniture and equipment, and intangible right to use assets related to lease and SBITA transactions. The School continued the construction project in fiscal year 2024 which was started in fiscal year 2022. Capital assets are used to provide services to the students and are not available for future spending, therefore the School's net investment in capital assets is presented as a separate component of net position.

**Liabilities**

Current liabilities consist of accounts, retainage, and intergovernmental payables, as well as the current portion of the School's obligations for leases, SBITA, and notes payable. Non-current liabilities reported at June 30, 2024 consist of the long-term portions of those obligations, as well as a long-term intergovernmental payable. The increase in current liabilities is a result of accruals related to the construction project.

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

The following table shows the changes in net position for fiscal years 2024 and 2023.

	<b>Change in Net Position</b>	
	<b>2024</b>	<b>2023</b>
<b><u>Operating revenues:</u></b>		
State Foundation	\$ 8,210,579	\$ 7,119,268
Tuition and fees	85,470	138,552
Sales and charges for services	66,348	70,936
Other	70	659
<b>Total operating revenues</b>	<b><u>8,362,467</u></b>	<b><u>7,329,415</u></b>
<b><u>Operating expenses:</u></b>		
Purchased services	9,711,320	8,868,016
Materials and supplies	323,988	264,956
Other	61,439	55,714
Depreciation/amortization	657,204	592,205
<b>Total operating expenses</b>	<b><u>10,753,951</u></b>	<b><u>9,780,891</u></b>
<b>Operating loss</b>	<b><u>(2,391,484)</u></b>	<b><u>(2,451,476)</u></b>
<b><u>Non-operating revenues (expenses):</u></b>		
Federal and State grants	5,238,147	6,792,192
Interest earnings	1,416,242	647,743
Gain (loss) on disposal of capital assets	-	(578,583)
Contributions and donations	4,272,635	1,883,775
Interest and fiscal charges	(18,433)	(10,442)
<b>Total non-operating revenues (expenses)</b>	<b><u>10,908,591</u></b>	<b><u>8,734,685</u></b>
<b>Change in net position</b>	<b><u>8,517,107</u></b>	<b><u>6,283,209</u></b>
<b>Net position at the beginning of the fiscal year</b>	<b><u>49,539,462</u></b>	<b><u>43,256,253</u></b>
<b>Net position at the end of the fiscal year</b>	<b><u>\$ 58,056,569</u></b>	<b><u>\$ 49,539,462</u></b>

As the table above illustrates, the School's primary source of operating revenue is State Foundation revenue, which accounted for 98.2% of all operating revenues in fiscal year 2024. Foundation revenue is allocated to schools throughout the State based on Full Time Equivalent (FTE) students reported by the schools. The School's FTE was 864 in fiscal year 2024, compared to 862 in fiscal year 2023. Other major sources of revenue for the School include Federal and State grants and contributions and donations from various local sources. The increase in contributions and donations is mostly due to receiving the local share of contributions for the School's ongoing construction project. Other changes in revenues include a large increase in interest earnings due to the continued rise in interest rates and also an increase in cash reserves invested in interest-earning accounts.

The main component of expenses for the School is purchased services, which accounted for 90.3% of all operating expenses in fiscal year 2024. These expenses consist primarily of professional and technical services, including payments made under the School's services contract with the Educational Service Center Council of Governments, and rent expense for the use of buildings. Refer to Note 9 in the notes to the basic financial statements for detail regarding the components of the School's purchased services expenses.

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

**Capital Assets**

At June 30, 2024, the School's capital assets are land, construction in progress, furniture and equipment, and intangible right to use assets related to lease and SBITA transactions. Total capital assets amounted to \$30,847,349 (net of accumulated depreciation/amortization). Additions to capital assets in fiscal year 2024 were \$21,684,364 (net of construction in progress transfers). Depreciation/amortization expense for the year amounted to \$657,204. Most of the additions were for construction in progress on the recently started construction project. Refer to Note 6 in the notes to the basic financial statements for more detail on the School's capital assets.

**Debt Administration**

Long-term debt outstanding for the School consists of leases payable for the right to use copier equipment and buildings, SBITA payable for the right to use software, and notes payable for a financed purchase agreement. At June 30, 2024, the balance of the outstanding obligations is \$518,015, of which \$505,264 is due within one year. New debt in fiscal year 2024 includes a new lease for a building in the amount of \$638,974. See Note 7 in the notes to the basic financial statements for more detail on the debt obligations.

**Current Issues**

The School receives approximately 98.2% of its operating revenues from the Ohio Department of Education and Workforce in the form of State Foundation revenues. Thus, the School is heavily reliant on the State funding formula in its ability to continue to provide quality educational services to its students. Currently the School's allocation for fiscal year 2025 is approximately \$8.3 million.

**Contacting the School's Financial Management**

This financial report is designed to provide our citizens, investors and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information contact Tammy Rizzo, Treasurer, 2080 Citygate Drive, Columbus, Ohio 43219.

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF NET POSITION  
JUNE 30, 2024**

**Assets:**

Current assets:

Equity in pooled cash and cash equivalents	\$ 25,360,215
Receivables:	
Accounts	3,225,434
Intergovernmental	3,860,737
Prepayments	6,536
	<hr/>
Total current assets	32,452,922
Non-current assets:	
Not depreciated/amortized	24,494,725
Depreciated/amortized, net	<hr/> 6,352,624
Total non-current assets	<hr/> 30,847,349
Total assets	<hr/> 63,300,271

**Liabilities:**

Current liabilities:

Accounts payable	3,041,226
Intergovernmental payable	923,703
Retainage payable	596,897
SBITA payable	3,487
Notes payable	170,263
Leases payable	331,514
Accrued interest payable	<hr/> 2,653
	<hr/>
Total current liabilities	5,069,743
Non-current liabilities:	
Intergovernmental payable	161,208
Leases payable	<hr/> 12,751
	<hr/>
Total non-current liabilities	173,959
Total liabilities	<hr/> 5,243,702

**Net position:**

Net investment in capital assets	26,875,078
Restricted for capital projects	17,157,863
Restricted for state programs	3,880
Restricted for federal programs	3,000
Restricted for other purposes	760,004
Unrestricted	<hr/> 13,256,744
	<hr/>
Total net position	\$ 58,056,569

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Operating revenues:**

State Foundation	\$ 8,210,579
Tuition and fees	85,470
Sales and charges for services	66,348
Other	70
<b>Total operating revenues</b>	<b>8,362,467</b>

**Operating expenses:**

Purchased services	9,711,320
Materials and supplies	323,988
Other	61,439
Depreciation/amortization	657,204
<b>Total operating expenses</b>	<b>10,753,951</b>
<b>Operating loss</b>	<b>(2,391,484)</b>

**Non-operating revenues (expenses):**

Federal and State grants	5,238,147
Interest earnings	1,416,242
Contributions and donations	4,272,635
Interest and fiscal charges	(18,433)
<b>Total nonoperating revenues (expenses)</b>	<b>10,908,591</b>
<b>Change in net position</b>	<b>8,517,107</b>
<b>Net position at beginning of fiscal year</b>	<b>49,539,462</b>
<b>Net position at end of fiscal year</b>	<b>\$ 58,056,569</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Cash flows from operating activities:**

Cash received from State Foundation	\$ 8,205,239
Cash received from tuition and fees	83,060
Cash received from sales and charges for services	57,741
Cash received from other operations	70
Cash payments for purchased services	(9,469,925)
Cash payments for materials and supplies	(313,080)
Cash payments for other expenses	<u>(64,327)</u>

Net cash used in operating activities (1,501,222)

**Cash flows from noncapital financing activities:**

Cash received from Federal and State grants	5,316,697
Cash received from contributions and donations	<u>472,490</u>
Net cash provided by noncapital financing activities	<u>5,789,187</u>

**Cash flows from capital and related financing activities:**

Capital grants received	9,387,802
Capital contributions and donations received	4,250,000
Interest and fiscal charges	(16,477)
Principal retirement	(414,634)
Acquisition of capital assets	<u>(18,703,879)</u>

Net cash used in capital and related financing activities (5,497,188)

**Cash flows from investing activities:**

Interest received	1,416,242
Net cash provided by investing activities	<u>1,416,242</u>
Net increase in cash and cash equivalents	207,019
<b>Cash and cash equivalents at beginning of fiscal year</b>	<b>25,153,196</b>
<b>Cash and cash equivalents at end of fiscal year</b>	<b><u>\$ 25,360,215</u></b>

**Reconciliation of operating loss to net cash used in operating activities:**

Operating loss	\$ (2,391,484)
Adjustments:	
Depreciation/amortization	657,204
Changes in assets and liabilities:	
Increase in accounts receivable	(28,073)
Increase in intergovernmental receivable	(5,340)
Decrease in prepayments	69,675
Increase in accounts payable	155,918
Increase in intergovernmental payable	<u>40,878</u>
Net cash used in operating activities	<u>\$ (1,501,222)</u>

**Non-cash transactions:**

At June 30, 2023, capital assets purchased on account amounted to \$1,112,745.

At June 30, 2024, capital assets purchased on account amounted to \$3,454,256, including retainage payable of \$596,897.

The School entered into a lease transaction in fiscal year 2024 to acquire capital assets, in the amount of \$638,974.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 - DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY**

Metro Early College High School (the “School”) is a legally separate nonprofit corporation served by an appointed ten-member Governing Board and meets the definition of a science, technology, engineering, and math (STEM) school under chapter 3326 of the Ohio Revised Code. The School became a separate legal entity effective July 1, 2012. Prior to that date, the School was included as part of the reporting entity of the Educational Council Foundation, for which the Educational Service Center of Central Ohio (the “ESCCO”) acted as fiscal agent. Thus, the fiscal year ended June 30, 2013 was the first year of operations for the School as a STEM school. The School is a small and intellectually vibrant learning community designed to serve students who want a personalized learning experience that prepares them for a connected world where math, science and technology are vitally important. All School students engage in a personally relevant and academically rigorous curriculum within a safe and trusting environment. The School offers education for children in the sixth through twelfth grade.

The School has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

The School’s Governing Board advises and assists the school staff on curriculum, school evaluation and research, professional development, funding and community relations. Ten members serve on the Governing Board, including three representatives from The Ohio State University, three from Battelle Memorial Institute, two from Columbus City Schools, one from Franklin University and one from the Educational Council Foundation Board. The School’s executive director, principal and staff oversee the day-to-day operations of the School.

The Educational Service Center Council of Governments serves as the School’s fiscal agent (See Note 11).

*Reporting Entity:*

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School. For the School, this includes instructional activities of the School.

Component units are legally separate organizations for which the School is financially accountable. The School is financially accountable for an organization if the School appoints a voting majority of the organization’s Governing Board and (1) the School is able to significantly influence the programs or services performed or provided by the organization; or (2) the School is legally entitled to or can otherwise access the organization’s resources; or (3) the School is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the School is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School in that the School approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading.

Based upon the application of these criteria, the School has no component units. The basic financial statements of the reporting entity include only those of the School (the primary government).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied 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 School’s significant accounting policies are described below.

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**A. Basis of Presentation**

The 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 accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**B. Measurement Focus**

The accounting and financial reporting treatment is determined by its measurement focus. Enterprise accounting uses a "flow of economic resources" measurement focus. With this measurement focus, all assets and all liabilities are included on the statement of net position.

**C. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The School's financial statements are prepared using the accrual basis of accounting. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded when the exchange takes place. Revenues resulting from non-exchange transactions, in which the School receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the year when use is first permitted and all eligibility requirements have been met; eligibility requirements include matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided to the School on a reimbursement basis. Expenses are recognized at the time they are incurred.

**D. Budgetary Process**

Unlike other public schools located in the State of Ohio, STEM schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705. Ohio Revised Code 5705.391 does require the School to prepare a five-year projection.

**E. Cash and Cash Equivalents**

To improve cash management, all cash received by the School is pooled in a central bank account. Monies for the School are maintained in this account or temporarily used to purchase short-term investments.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

During fiscal year 2024, the School invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Academy measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

There are no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

**F. Prepayments**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the statement of net position. These items are reported as assets on the statement of net position using the consumption method. A current asset for prepaid amounts is recorded at the time of the purchase and the expense is reported in the year in which services are consumed.

**G. Capital Assets**

The School's capital assets are capitalized at historical cost and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The School maintains a capitalization threshold of \$2,500. The School does not have any infrastructure. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets at June 30, 2024, except land and construction in progress, are depreciated/amortized. This is computed using the straight-line method over useful lives ranging from 3-20 years for furniture and equipment, and 20 years for buildings and improvements. Intangible right to use leased assets are amortized in a systematic and rational manner over the shorter of the estimated useful life of the asset or the lease/subscription term. Currently this is 2 years for leased buildings, 5 years for leased equipment, and 2-3 years for software.

**H. Net Position**

Net position represents the difference between assets and liabilities. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes represents amounts restricted for various local grants.

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

**METRO EARLY COLLEGE HIGH SCHOOL  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**I. Intergovernmental Revenue**

The School currently participates in the State Foundation Program. Revenues received from this program are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

The amount of these grants is directly related to the number of students enrolled in the School. The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the School. 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 remaining grants and entitlements received by the School are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the school on a reimbursement basis.

**J. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the financial statements.

**K. Estimates**

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

**L. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the school. Operating expenses are necessary cost incurred to provide the service that is the primary activity of the School. All revenues and expenses not meeting this definition are reported as non-operating.

**M. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Governing Board and that are either unusual in nature or infrequent in occurrence. The School had no extraordinary or special items during fiscal year 2024.

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2024, the School has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*", GASB Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*" and Implementation Guide No. 2023-1.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously reported by the School.

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES (CONTINUED)**

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the School.

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the School.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the School.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

Monies held by the School are classified by State statute into three categories.

Active monies are public deposits determined to be necessary to meet current demands upon the School treasury. Active monies must be maintained either as cash in the School Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Governing Board has identified as not required for use within the current five year period of designation of depositories.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)**

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain banker's acceptance for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the School's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledge to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Deposits with Financial Institutions**

At June 30, 2024, the carrying amount of all School deposits was \$1,492,993 and the bank balance was \$3,062,444. Of the bank balance, \$250,000 was covered by the FDIC and \$2,812,444 was potentially exposed to custodial credit risk as discussed below because those deposits were uninsured and could be uncollateralized. All statutory requirements for the deposit of money have been followed.

Custodial credit risk is the risk that, in the event of bank failure, the School's deposits may not be returned. The School has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by: (1) eligible securities pledged to the School and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or (2) 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 fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For fiscal year 2024, the School's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS.

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments**

As of June 30, 2024, the School had the following investment:

Measurement/ Investment type	Measurement Amount	<u>Investment Maturity</u> 6 months or less
<i>Amortized Cost:</i>		
Star Ohio	<u>\$ 23,867,222</u>	<u>\$ 23,867,222</u>

The weighted average maturity of STAR Ohio is approximately 45 days.

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates, the School's investment policy requires that operating funds be invested primarily in investments so that the securities mature to meet cash requirements for ongoing operations and long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

*Credit Risk:* Standard & Poor's has assigned STAR Ohio an AAAm money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School's investment policy does not specifically address credit risk beyond requiring the School to invest in securities authorized by State statute.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the 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 School's investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

*Concentration of Credit Risk:* The School places no limit on the amount that may be invested in any one issuer.

**NOTE 5 - RECEIVABLES**

Receivables at June 30, 2024, consist of accounts (tuition and fees for services provided, contributions and donations, and other miscellaneous receipts) and intergovernmental grants and entitlements.

**METRO EARLY COLLEGE HIGH SCHOOL**  
**FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	<u>Balance</u> <u>06/30/23</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/24</u>
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 1,092,500	\$ -	- -	\$ 1,092,500
Construction in progress	<u>4,230,549</u>	<u>20,943,620</u>	<u>(1,771,944)</u>	<u>23,402,225</u>
Total capital assets, not being depreciated/amortized	<u>5,323,049</u>	<u>20,943,620</u>	<u>(1,771,944)</u>	<u>24,494,725</u>
<i>Capital assets, being depreciated/amortized:</i>				
Buildings and improvements	4,813,000	1,771,944	- -	6,584,944
Furniture and equipment	685,910	101,770	- -	787,680
Intangible right to use - equipment	57,272	- -	- -	57,272
Intangible right to use - buildings	602,125	638,974	(602,125)	638,974
Intangible right to use - software	<u>28,728</u>	<u>- -</u>	<u>- -</u>	<u>28,728</u>
Total capital assets, being depreciated/amortized	<u>6,187,035</u>	<u>2,512,688</u>	<u>(602,125)</u>	<u>8,097,598</u>
<i>Less: accumulated depreciation/amortization</i>				
Buildings and improvements	(481,300)	(284,949)	- -	(766,249)
Furniture and equipment	(565,171)	(32,733)	- -	(597,904)
Intangible right to use - equipment	(30,283)	(8,183)	- -	(38,466)
Intangible right to use - buildings	(602,125)	(319,487)	602,125	(319,487)
Intangible right to use - software	<u>(11,016)</u>	<u>(11,852)</u>	<u>- -</u>	<u>(22,868)</u>
Total accumulated depreciation/amortization	<u>(1,689,895)</u>	<u>(657,204)</u>	<u>602,125</u>	<u>(1,744,974)</u>
Total capital assets, net	<u>\$ 9,820,189</u>	<u>\$ 22,799,104</u>	<u>\$ (1,771,944)</u>	<u>\$ 30,847,349</u>

**NOTE 7 - LONG-TERM OBLIGATIONS**

The following tables summarizes the School's long-term obligations activity in fiscal year 2024.

	<u>Balance at</u> <u>06/30/23</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>06/30/234</u>	<u>Due Within</u> <u>One Year</u>
Leases payable	\$ 27,227	\$ 638,974	\$ (321,936)	\$ 344,265	\$ 331,514
Notes payable - financed purchase	252,984	- -	(82,721)	170,263	170,263
Subscriptions payable	13,464	- -	(9,977)	3,487	3,487
Intergovernmental payable	<u>155,857</u>	<u>68,406</u>	<u>(31,202)</u>	<u>193,061</u>	<u>31,853</u>
 Total long-term obligations	 <u>\$ 449,532</u>	<u>\$ 707,380</u>	<u>\$ (445,836)</u>	<u>\$ 711,076</u>	<u>\$ 537,117</u>

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 7 - LONG-TERM OBLIGATIONS - (Continued)**

Leases payable: The School has entered into three lease agreements for the right to use copier equipment. The term for each lease is 60 months. Payments are due monthly with the final payment due in September of 2027.

The School has also entered into a lease with the PAST Foundation to house the School's Early College Experiences (Learning Centers) beginning July 1, 2023 through June 30, 2025. Lease payments are due in equal quarterly installments with a built-in 2% increase annually.

The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 331,514	\$ 6,929	\$ 338,443
2026	5,714	508	6,222
2027	6,006	216	6,222
2028	1,031	6	1,037
<b>Total</b>	<b><u>\$ 344,265</u></b>	<b><u>\$ 7,659</u></b>	<b><u>\$ 351,924</u></b>

Notes payable: On May 2, 2022, the Academy entered into a financed purchase agreement with Apple Inc. to acquire laptops. Payments are due each June 1 of 2022 through 2025. The following is a schedule of future payments under the agreement:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 170,263	\$ 2,537	\$ 172,800

Subscriptions payable: The School has entered into two contracts for the right to use software. Payments on both agreements are made annually in advance, over a term of two to three years. The following is a schedule of future payments:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,487	\$ 178	\$ 3,665

Intergovernmental payable: The School's employees are employed by the Educational Service Center Council of Governments (ESCCOG). Sick and vacation leave payouts for these employees are paid by the ESCCOG and subsequently reimbursed by the School. The intergovernmental payable reported as a long-term obligation represents the sick and vacation leave balances for the School's employees in accordance with GASB Statement No. 16.

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 8 - INTERGOVERNMENTAL PAYABLES**

As discussed in Note 7, a portion of the School's intergovernmental payable liability represents a long-term payable to the ESCCOG. The following is a summary of other intergovernmental payables incurred by the School for fiscal year 2024:

<b>Description</b>	<b>Amount</b>
Payable to ESCCOG	\$ 850,608
College Credit Plus Adjustment Payable to the Ohio Department of Education	39,348
Payable to Other Governmental Entities	<u>1,894</u>
<b>Total</b>	<b><u>\$ 891,850</u></b>

**NOTE 9 - PURCHASED SERVICES**

For the fiscal year ended June 30, 2024, purchased services expenses were as follows:

Professional and technical services *	\$ 7,369,558
Property services	1,274,408
Travel mileage and meetings	22,170
Communications	84,583
Utilities	30,121
Contracted craft or trade	172,113
Tuition	486,848
Pupil transportation services	24,731
Other	<u>246,788</u>
<b>Total</b>	<b><u>\$ 9,711,320</u></b>

\* Professional and technical services includes \$6,501,396 in salary and benefit related expenses specific to School employees who are employed by the ESCCOG.

**NOTE 10 - RISK MANAGEMENT**

The School is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. For fiscal year 2023, the School has purchased commercial insurance to cover these risks. Settled claims have not exceeded the coverage in the past three fiscal years and there has been no significant reduction in coverage compared to the prior fiscal year.

**NOTE 11 - SERVICE AGREEMENT**

The School entered into a service contract with the Educational Service Center Council of Governments (ESCCOG) for fiscal year 2024 to provide fiscal, payroll, and Comprehensive Continuous Improvement Plan (CCIP) consulting services. The ESCCOG shall perform the following services for the School in accordance with the services proposal:

- Month End Accounting
- Accounts Payable/Receivable
- Payroll
- Accounting/Fiscal Support/Tax Reporting/General Office Support
- EMIS/Recordkeeping

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - CONTINGENCIES**

**A. Grants**

The School received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are 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 School at June 30, 2024.

**B. State Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. However, there is an important nexus between attendance and enrollment for Foundation funding purposes. Community schools must provide documentation that clearly demonstrates students have participated in learning opportunities. The Ohio Department of Education and Workforce (ODEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end.

Under Ohio Rev. Code Section 3314.08, ODEW may also perform a FTE review for the fiscal year that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance.

As of the date of this report, additional ODEW adjustments for fiscal year 2024 are not finalized. The results of any ODE adjustments are nominal.

**C. Litigation**

The School is not involved in any litigation that, in the opinion of management, would have a material effect on the financial statements at June 30, 2024.

**NOTE 13 - BUILDING RENTAL**

The School has entered into a month-to-month lease to rent a building from The Ohio State University at a cost of \$71,899 per month. Rent charges and other occupancy costs were \$863,440 for fiscal year 2024.

**NOTE 14 - CONTRACTUAL COMMITMENTS**

The School has significant contractual commitments with Ruscilli Construction Co. LLC related to the current construction project. The balance on these contracts at June 30, 2024 is \$5,487,883.

**METRO EARLY COLLEGE HIGH SCHOOL**  
**FRANKLIN COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**  
**(Prepared by Management)**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Federal</b> <b>AL</b> <b>Number</b>	<b>Total Federal</b> <b>Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b> <i>Passed Through Ohio Department of Education</i>		
Child Nutrition Cluster		
National School Breakfast Program	10.553	\$ 40,385
National School Lunch Program	10.555	<u>91,630</u>
Total U.S. Department of Agriculture		<u>132,015</u>
<b>U.S. DEPARTMENT OF EDUCATION</b> <i>Passed Through Ohio Department of Education</i>		
Special Education Grants to States	84.027A	180,615
Title I Grants to Local Education Agencies	84.010A	309,737
Supporting Effective Instruction State Grants	84.367A	25,515
Student Support and Academic Enrichment Program	84.424A	23,527
Elementary and Secondary School Emergency Relief (ESSER) Fund		
COVID-19 Elementary and Secondary School Emergency Relief Fund - ESSER II	84.425D	267,141
COVID-19 Elementary and Secondary School Emergency Relief Fund - ARP-ESSER	84.425U	<u>1,537,575</u>
Total Elementary and Secondary School Emergency Relief Fund		<u>1,804,716</u>
Total U.S. Department of Education		<u>2,344,110</u>
<b>Total Expenditures of Federal Awards</b>		<u><b>\$ 2,476,125</b></u>

*The accompanying notes are an integral part of this schedule.*

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Metro Early College High School (the School) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The School has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

The School commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School assumes it expends federal monies first.

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

Metro Early College High School  
Franklin County  
1929 Kenny Road  
Columbus, Ohio 43210

To the Governing Board:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the Metro Early College High School, Franklin County, Ohio (the School) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated December 27, 2024.

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

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

Metro Early College High School  
Franklin County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

***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 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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Charles E. Harris & Associates, Inc.*

**Charles E. Harris & Associates, Inc.**

December 27, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Metro Early College High School  
Franklin County  
1929 Kenny Road  
Columbus, Ohio 43210

To the Governing Board:

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the Metro Early College High School, Franklin County, Ohio's (the School) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the School's major federal program for the year ended June 30, 2024. The School's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

The School's management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's federal programs.

Metro Early College High School

Franklin County

Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control  
Over Compliance Required by the Uniform Guidance

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### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of the major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on Internal Control Over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Metro Early College High School

Franklin County

Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control  
Over Compliance Required by the Uniform Guidance

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Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



*Charles E. Harris & Associates, Inc.*

December 27, 2024

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2024**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	<b>Unmodified</b>
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Program (list):</b>	ESSER – Education Stabilization Fund – AL # 84.425D and AL # 84.425U
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

# OHIO AUDITOR OF STATE KEITH FABER



METRO EARLY COLLEGE HIGH SCHOOL

FRANKLIN 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 4/8/2025

65 East State 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)