

**METRO EARLY COLLEGE HIGH SCHOOL**

**FRANKLIN COUNTY**

**SINGLE AUDIT**

**JULY 1, 2020 – JUNE 30, 2021**



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



OHIO AUDITOR OF STATE  
KEITH FABER



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Governing Board  
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 Wilson, Shannon & Snow, Inc., for the audit period July 1, 2020 through June 30, 2021. 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

January 08, 2022

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**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY**

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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 Financial Statements***

We have audited the accompanying financial statements of the Metro Early College High School, Franklin County, Ohio (the School), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Metro Early College High School, Franklin County, as of June 30, 2021, and the changes in its financial position and its cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Metro Early College High School  
Franklin County  
Independent Auditor's Report

***Emphasis of Matter***

As disclosed in Note 15 to financial statements, during fiscal year 2021, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the School. We did not modify our opinion regarding this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

***Supplementary Information***

Our audit was conducted to opine on the School's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis 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 and is not a required part of the financial statements.

The schedule is management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Newark, Ohio  
December 15, 2021



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(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, 2021. 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 2021 are as follows:

- Net position at June 30, 2021 was \$4,480,718, including unrestricted net position of \$2,844,624. This represents an increase of \$1,961,019 compared to the prior fiscal year's net position.
- The School had total revenues of \$10,509,995, including operating revenues of \$6,973,276 and non-operating revenues of \$3,536,719; these revenues supported operating expenses of \$8,548,175 and non-operating expenses of \$801 during fiscal year 2021.

**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 2021?" 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 7 and 8 of this report. The statement of cash flows can be found on page 9.

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 11-20 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(UNAUDITED)

The table below provides a summary of the School's net position at June 30, 2021 and 2020.

<b>Net Position</b>		
	2021	2020
<b><u>Assets</u></b>		
Current assets	\$ 5,237,768	\$ 4,241,167
Capital assets, net	347,812	349,918
Total assets	5,585,580	4,591,085
<b><u>Liabilities</u></b>		
Current liabilities	1,037,749	1,383,601
Long-term liabilities	67,113	687,785
Total liabilities	1,104,862	2,071,386
<b><u>Net position</u></b>		
Net investment in capital assets	335,011	331,224
Restricted	1,301,083	309,231
Unrestricted	2,844,624	1,879,244
Total net position	\$ 4,480,718	\$ 2,519,699

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2021, the School's assets exceeded liabilities by \$4,480,718. Of this total, \$1,301,083 is restricted in use and \$2,844,624 is unrestricted.

**Assets**

Current assets consist primarily of cash and cash equivalents, receivables and prepayments. Cash and cash equivalents increased as the School's receipts exceeded disbursements for the fiscal year. Intergovernmental receivables also increased as a result of Elementary and Secondary School Emergency Relief grant funding that had yet to be received by year-end. The School's only capital assets at June 30, 2021 are furniture, fixtures and equipment. 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 and intergovernmental payables, as well as the current portion of the School's capital lease obligations. Non-current liabilities reported at June 30, 2021 consist of the long-term portions of the School's capital leases and intergovernmental payables. The decrease in total liabilities is primarily due to the Paycheck Protection Program loan which was forgiven in full in fiscal year 2021.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(UNAUDITED)

The following table shows the changes in net position for fiscal years 2021 and 2020.

**Change in Net Position**

	2021	2020
<b><u>Operating revenues:</u></b>		
State Foundation	\$ 6,835,785	\$ 7,110,888
Tuition and fees	136,210	138,411
Sales and charges for services	1,281	40,337
Miscellaneous	-	16,714
Total operating revenues	6,973,276	7,306,350
<b><u>Operating expenses:</u></b>		
Purchased services	8,051,971	8,254,598
Materials and supplies	341,506	294,915
Other	37,348	37,858
Depreciation	117,350	153,758
Total operating expenses	8,548,175	8,741,129
<b><u>Non-operating revenues (expenses):</u></b>		
Federal and State grants	1,575,623	765,050
Interest earnings	1,166	3,821
Contributions and donations	869,988	611,060
Gain on extinguishment of debt - forgiveness of Paycheck Protection Program loan	1,089,942	-
Interest and fiscal charges	(801)	(851)
Total non-operating revenues (expenses)	3,535,918	1,379,080
Change in net position	1,961,019	(55,699)
Net position at the beginning of the fiscal year	2,519,699	2,575,398
Net position at the end of the fiscal year	\$ 4,480,718	\$ 2,519,699

As the preceding table illustrates, the School's primary source of revenue is State Foundation revenue, which accounted for 98.0% of all operating revenues in fiscal year 2021. 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 940 in fiscal year 2021, compared to 974 in fiscal year 2020. Other major sources of revenue for the School include Federal and State grants and contributions and donations from various local sources. These revenues were higher in fiscal year 2021 primarily due to additional Federal grant funding for the Elementary and Secondary School Emergency Relief and Title I programs, and also State grants for the Student Wellness and Success funds. The School is reporting other financial assistance for fiscal year 2021 which represents the principal amount of the School's Paycheck Protection Program (PPP) loan that was forgiven.

The main component of expenses for the School is purchased services, which accounted for 94.2% of all operating expenses in fiscal year 2021. 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 10 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, 2021  
(UNAUDITED)**

**Capital Assets**

At June 30, 2021, the School's only capital assets are furniture, fixtures and equipment in the amount of \$347,812 (net of accumulated depreciation). Additions to capital assets in fiscal year 2021 were \$115,244 and the School recorded depreciation expense of \$117,350. 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 capital lease obligations for the acquisition of copier equipment. At June 30, 2021, the balance of the leases is \$12,801, of which \$6,195 is due within one year. Principal and interest payments in fiscal year 2021 were \$5,893 and \$801, respectively. The School had a PPP loan outstanding at June 30, 2020 which was fully forgiven in fiscal year 2021. See Note 7 and Note 8 in the notes to the basic financial statements for more detail on the capital leases and loan.

**Current Issues**

The School receives approximately 98.0% of its operating revenues from the Ohio Department of Education 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 2022 is approximately \$6.4 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, 2021

<b>Assets:</b>	
Current assets:	
Equity in pooled cash and cash equivalents. . . . .	\$ 4,782,301
Receivables:	
Accounts. . . . .	52,691
Intergovernmental. . . . .	336,021
Prepayments. . . . .	<u>66,755</u>
Total current assets . . . . .	<u>5,237,768</u>
Non-current assets:	
Depreciable capital assets, net. . . . .	<u>347,812</u>
Total assets. . . . .	<u>5,585,580</u>
 <b>Liabilities:</b>	
Current liabilities:	
Accounts payable . . . . .	77,666
Intergovernmental payable. . . . .	953,888
Capital lease payable. . . . .	<u>6,195</u>
Total current liabilities . . . . .	<u>1,037,749</u>
Non-current liabilities:	
Intergovernmental payable. . . . .	60,507
Capital lease payable. . . . .	<u>6,606</u>
Total non-current liabilities . . . . .	<u>67,113</u>
Total liabilities . . . . .	<u>1,104,862</u>
 <b>Net position:</b>	
Net investment in capital assets. . . . .	335,011
Restricted for capital projects . . . . .	750,000
Restricted for state programs . . . . .	275,725
Restricted for federal programs . . . . .	17,757
Restricted for other purposes . . . . .	257,601
Unrestricted . . . . .	<u>2,844,624</u>
Total net position . . . . .	<u>\$ 4,480,718</u>

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, 2021

<b>Operating revenues:</b>	
State Foundation . . . . .	\$ 6,835,785
Tuition and fees . . . . .	136,210
Sales and charges for services. . . . .	1,281
Total operating revenues. . . . .	6,973,276
<b>Operating expenses:</b>	
Purchased services. . . . .	8,051,971
Materials and supplies. . . . .	341,506
Other. . . . .	37,348
Depreciation. . . . .	117,350
Total operating expenses. . . . .	8,548,175
Operating loss . . . . .	(1,574,899)
<b>Non-operating revenues (expenses):</b>	
Federal and State grants . . . . .	1,575,623
Interest earnings . . . . .	1,166
Contributions and donations. . . . .	869,988
Other financial assistance - forgiveness of Paycheck Protection Program loan . . . . .	1,089,942
Interest and fiscal charges . . . . .	(801)
Total nonoperating revenues (expenses) . . . . .	3,535,918
Change in net position . . . . .	1,961,019
<b>Net position at beginning of fiscal year . . . . .</b>	<b>2,519,699</b>
<b>Net position at end of fiscal year . . . . .</b>	<b>\$ 4,480,718</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, 2021

<b>Cash flows from operating activities:</b>	
Cash received from State Foundation . . . . .	\$ 6,830,975
Cash received from tuition and fees . . . . .	109,830
Cash received from sales and charges for services. . . . .	8,699
Cash payments for purchased services. . . . .	(7,954,383)
Cash payments for materials and supplies . . . . .	(324,645)
Cash payments for other expenses . . . . .	(40,176)
	<hr/>
Net cash used in operating activities . . . . .	(1,369,700)
<b>Cash flows from noncapital financing activities:</b>	
Cash received from Federal and State grants. . . . .	1,263,322
Cash received from contributions and donations. . . . .	872,188
	<hr/>
Net cash provided by noncapital financing activities . . . . .	2,135,510
<b>Cash flows from capital and related financing activities:</b>	
Interest and fiscal charges . . . . .	(801)
Principal retirement on capital lease . . . . .	(5,893)
Acquisition of capital assets . . . . .	(121,423)
	<hr/>
Net cash used in capital and related financing activities . . . . .	(128,117)
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	1,166
	<hr/>
Net cash provided by investing activities . . . . .	1,166
Net increase in cash and cash equivalents . . . . .	638,859
<b>Cash and cash equivalents at beginning of fiscal year. . . . .</b>	<b>4,143,442</b>
<b>Cash and cash equivalents at end of fiscal year . . . . .</b>	<b><u><u>\$ 4,782,301</u></u></b>

<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss . . . . .	\$ (1,574,899)
Adjustments:	
Depreciation . . . . .	117,350
Changes in assets and liabilities:	
Increase in accounts receivable. . . . .	(19,295)
Increase in intergovernmental receivable. . . . .	(5,405)
Increase in prepayments . . . . .	(22,941)
Increase in accounts payable . . . . .	40,347
Increase in intergovernmental payable . . . . .	95,143
	<hr/>
Net cash used in operating activities . . . . .	<u><u>\$ (1,369,700)</u></u>

**Non-cash transactions:**

During fiscal year 2021, the School recognized non-operating revenue in the amount of \$1,089,942 for the forgiveness of a loan.

At June 30, 2020, capital assets purchased on account amounted to \$6,179.

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, 2021

**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 12).

*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, 2021

**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.

Investments are reported at fair value, except for non-negotiable certificates of deposit, which are reported at cost. Fair value is based on quoted market prices. The School had no investments during the fiscal year ended June 30, 2021.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

**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 during fiscal year 2021 consisted of furniture, fixtures and equipment. All capital assets are capitalized at cost and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition value as of the date received. The School maintains a capitalization threshold of \$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 are depreciated. Depreciation is computed using the straight-line method over useful lives ranging from 3-20 years.

**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.

**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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

**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 2021.

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2021, the School has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended June 30, 2021. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed until the fiscal year ended June 30, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

**NOTE 4 - DEPOSITS**

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 4 - DEPOSITS - (Continued)**

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;
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.

At June 30, 2021, the carrying amount of all School deposits was \$4,782,301 and the bank balance of all School deposits was \$4,833,046. Of the bank balance, \$250,000 was covered by the FDIC and \$4,583,046 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 4 - DEPOSITS - (Continued)**

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 2021, the School's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS.

**NOTE 5 - RECEIVABLES**

Receivables at June 30, 2021, consist of accounts (tuition and fees for services provided and other miscellaneous receipts) and intergovernmental grants and entitlements.

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance 06/30/20	Additions	Reductions	Balance 06/30/21
Capital assets, being depreciated:				
Furniture, fixtures and equipment	\$ 1,891,333	\$ 115,244	\$ -	\$ 2,006,577
Total capital assets being depreciated	1,891,333	115,244	-	2,006,577
Less: accumulated depreciation				
Furniture, fixtures and equipment	(1,541,415)	(117,350)	-	(1,658,765)
Total accumulated depreciation	(1,541,415)	(117,350)	-	(1,658,765)
Capital assets, net	\$ 349,918	\$ (2,106)	\$ -	\$ 347,812

**NOTE 7 - CAPITAL LEASES - LESSEE DISCLOSURE**

The School has entered into lease agreements to acquire computer hardware and copier equipment, which meet the criteria for reporting as capital leases. Capital assets consisting of equipment have been capitalized in the amount of \$29,683, which represents the value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net position at lease inception. Accumulated depreciation on the equipment at June 30, 2021 was \$15,447, leaving a book value of \$14,236.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 7 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)**

Principal and interest payments in fiscal year 2021 were \$5,893 and \$801, respectively. The following is a schedule of the future long-term minimum lease payments required under the leases and the present value of the future minimum lease payments as of June 30, 2021:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2022	\$ 6,694
2023	3,005
2024	3,005
2025	<u>1,002</u>
Total minimum lease payments	13,706
Less: amount representing interest	<u>(905)</u>
Present value of minimum lease payments	<u>\$ 12,801</u>

**NOTE 8 - LONG-TERM OBLIGATIONS**

The following tables summarizes the School's long-term obligations activity in fiscal year 2021.

	<u>Balance at</u> <u>06/30/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>06/30/21</u>	<u>Due Within</u> <u>One Year</u>
Capital leases	\$ 18,694	\$ -	\$ (5,893)	\$ 12,801	\$ 6,195
Intergovernmental payable	94,645	30,694	(34,138)	91,201	30,694
Loans payable from direct borrowing	<u>1,089,942</u>	<u>-</u>	<u>(1,089,942)</u>	<u>-</u>	<u>-</u>
Total long-term obligations	<u>\$ 1,203,281</u>	<u>\$ 30,694</u>	<u>\$ (1,129,973)</u>	<u>\$ 104,002</u>	<u>\$ 36,889</u>

Capital leases: See Note 7 for more detail.

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.

Loans payable: On May 4, 2020, the School entered into an agreement with The Huntington National Bank in the amount of \$1,089,942 under the Coronavirus Aid, Relief, and Economic Security (CARES) Act through the Small Business Administration (SBA) under the Paycheck Protection Program (PPP). This loan is considered a direct borrowing. Direct borrowings have terms negotiated between the borrower and the lender and are not offered for public sale. The loan originally had a maturity date of May 4, 2022 but was forgiven in full in fiscal year 2021 with no payments having been made.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 9 - INTERGOVERNMENTAL PAYABLES**

As discussed in Note 8, 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 2021:

Description	Amount
Payable to ESCCOG	\$ 821,791
College Credit Plus Adjustment Payable to the Ohio Department of Education	95,779
Payable to Other Governmental Entities	5,624
Total	\$ 923,194

**NOTE 10 - PURCHASED SERVICES**

For the fiscal year ended June 30, 2021, purchased services expenses were as follows:

Professional and technical services *	\$ 5,952,113
Property services	1,280,966
Travel mileage and meetings	6,303
Communications	25,624
Contracted craft or trade	14,842
Tuition	565,206
Pupil transportation services	220
Other	206,697
Total	\$ 8,051,971

\* Professional and technical services includes \$5,683,755 in salary and benefit related expenses specific to School employees who are employed by the ESCCOG.

**NOTE 11 - 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 2021, the school had general liability, property and auto insurance through McGowan Governmental Underwriters. Settled claims have not exceeded this commercial coverage in the past three fiscal years and there has been no significant reduction in coverage compared to the prior fiscal year.

**NOTE 12 - SERVICE AGREEMENT**

The School entered into a service contract with the Educational Service Center Council of Governments (ESCCOG) for fiscal year 2021 to provide fiscal, payroll, student data, 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, 2021

**NOTE 13 - 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, 2021.

**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. STEM schools must provide documentation that clearly demonstrates students have participated in learning opportunities. The Ohio Department of Education (ODE) 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, ODE 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 ODE adjustments for fiscal year 2021 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2021 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School.

**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, 2021.

**NOTE 14 - OPERATING LEASES - LESSEE DISCLOSURE**

The School has entered into a month-to-month lease to rent a building from The Ohio State University at a cost of \$74,098 per month. Rent charges and other occupancy costs were \$932,717 for fiscal year 2021.

The School has entered into a lease with the PAST Foundation to house the School's Early College Experiences (Learning Centers) at a cost of \$50,000 per quarter beginning July 1, 2015 through June 30, 2020. The lease was amended effective July 1, 2019 which increased the quarterly payment to \$75,000. The School made payments of \$306,000 on this lease in fiscal year 2021. The lease has been renewed for an additional three years through June 30, 2023. Payments are due in equal quarterly installments of \$78,030 and \$79,590 for fiscal years 2022 and 2023, respectively.

**NOTE 15 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact the School's funding and operations in subsequent periods. However, the impact on the School's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 16 - SUBSEQUENT EVENTS**

For fiscal year 2022, STEM school foundation funding received from the state of Ohio will be funded using a direct funding model. For fiscal year 2021 and prior, the amounts related to students who were residents of a particular school district were funded to the school district who, in turn, made the payment to the respective STEM school. This new funding system calculates a unique base cost for each STEM school. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

In November 2021, the School signed an agreement with the Ohio Facilities Construction Commission to secure funding for a facilities renovation project. The total budget for the project is \$28,887,142 divided equally between the State's share and the School's local match of \$14,443,571 each.

**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b>FEDERAL GRANTOR\ Pass Through Grantor\ Program Title</b>	<b>Pass Through Entity Number</b>	<b>Assistance Listing Number</b>	<b>Disbursements</b>
<b>U.S. DEPARTMENT OF NUTRITION</b>			
<i>Passed Through Ohio Department of Education:</i>			
Child Nutrition Cluster:			
National School Breakfast Program	N/A	10.553	\$ 2,211
National School Lunch Program	N/A	10.555	<u>5,508</u>
Total U.S. Department of Nutrition			<u>7,719</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education:</i>			
Special Education Cluster:			
Special Education Grants to States	N/A	84.027	<u>170,562</u>
Total Special Education Cluster			<u>170,562</u>
Improving Teacher Quality State Grants	N/A	84.367	4,432
Improving Teacher Quality State Grants	N/A	84.367A	49,132
Total Improving Teacher Quality State Grants			<u>53,564</u>
Title I Grants to Local Educational Agencies	N/A	84.010	269,317
Student Support and Academic Enrichment Program	N/A	84.424A	17,972
COVID-19 Elementary and Secondary School Emergency Relief Fund	N/A	84.425D	<u>404,320</u>
Total U.S. Department of Education			<u>915,735</u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through Ohio Department of Education:</i>			
COVID-19 Coronavirus Relief Fund	N/A	21.019	<u>31,881</u>
Total U.S. Department of Education			<u>31,881</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 955,335</u></b>

*The accompanying notes are in 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 FISCAL YEAR ENDED JUNE 30, 2021**

**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, Franklin County (the School) under programs of the federal government for the fiscal year ended June 30, 2021. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Metro Early College High School, Franklin County, (the School) as of and for the fiscal year ended June 30, 2021, 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 15, 2021, wherein we noted the School considered the financial impact of COVID-19 as disclosed in Note 15.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the School's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Program's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the School's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
December 15, 2021

**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***

We have audited the Metro Early College High School's (the School) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the School's major federal program for the fiscal year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School's major federal program.

***Management's Responsibility***

The School's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on the School's compliance for the School's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the School's major program. However, our audit does not provide a legal determination of the School's compliance.

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

In our opinion, the Metro Early College High School complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2021.

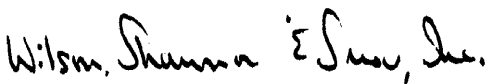
***Report on Internal Control Over Compliance***

The School's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the School's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School's 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Newark, Ohio  
December 15, 2021



**METRO EARLY COLLEGE HIGH SCHOOL  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2021**

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

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

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# 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 1/20/2022**

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

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