

**THE CHARLES SCHOOL AT OHIO  
DOMINICAN UNIVERSITY  
FRANKLIN COUNTY, OHIO**

**SINGLE AUDIT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**



Rea & associates

[www.reacpa.com](http://www.reacpa.com)



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Directors  
The Charles School at Ohio Dominican University  
1270 Brentnell Ave  
Columbus, OH 43219

We have reviewed the *Independent Auditor's Report* of The Charles School at Ohio Dominican University, Franklin County, prepared by Rea & Associates, Inc., for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Charles School at Ohio Dominican University 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

February 29, 2024

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**The Charles School at Ohio  
Dominican University Franklin  
County, Ohio**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Charles School at Ohio Dominican University  
Franklin County, Ohio  
1270 Brentnell Avenue  
Columbus, OH 43219

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

#### ***Opinion***

We have audited the financial statements of The Charles School at Ohio Dominican University, Franklin County, Ohio (TCS), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise TCS's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of The Charles School at Ohio Dominican University, Franklin County, Ohio, as of June 30, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with 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 (*Government Auditing Standards*). 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 TCS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TCS'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 TCS'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 as listed in the table of contents, 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 GAAS, 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 an opinion on the financial statements that collectively comprise TCS's basic financial statements. The *Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the 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 GAAS. In our opinion, the *Schedule of Expenditures of Federal Awards* 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 28, 2023 on our consideration of TCS's internal control over financial reporting and on 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 TCS'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 School's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
December 28, 2023

**The Charles School at Ohio Dominican University**  
**Franklin County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*

Our discussion and analysis of The Charles School at Ohio Dominican University (TCS) financial performance provides an overall review of TCS' financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at TCS' financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the TCS' financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position increased \$42,773 which represents a 4.3 percent increase from 2022. This increase is mainly attributable to an increase in capital assets.
- Total assets increased \$27,163 which represents a 2.4 percent increase from 2022. This was primarily due to an increase in capital assets.
- Liabilities increased \$20,692 which represents a 25.9 percent increase from 2022. The increase in liabilities is due to an increase in accounts payable.

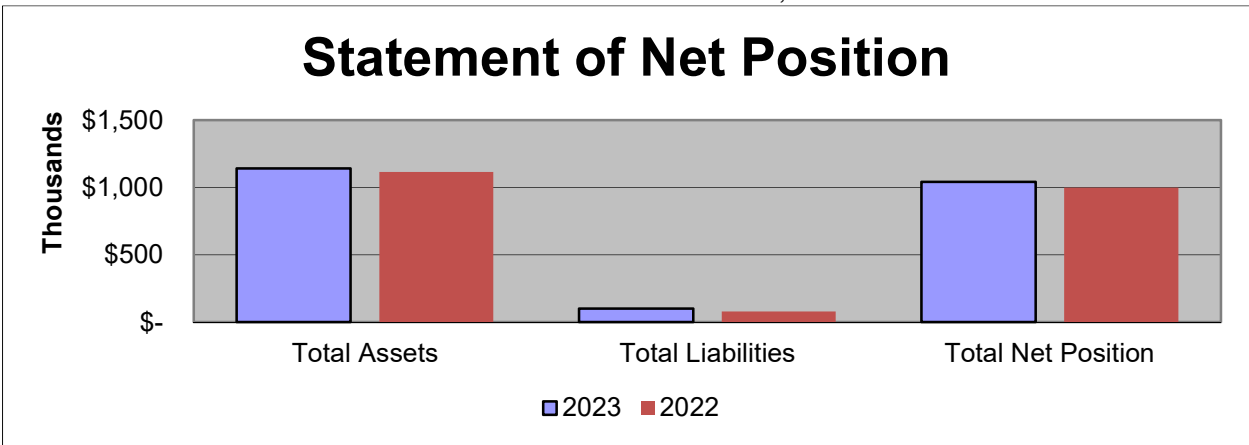
### **USING THIS ANNUAL REPORT**

This report consists of three parts, the MD&A, the basic financial statements, and notes to the basic financial statements. The basic financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Change in Net Position, and a Statement of Cash Flows.

The Statement of Net Position and Statement of Revenues, Expenses, and Change in Net Position reflect how TCS did financially during fiscal year 2023. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting includes all of the current year revenues and expenses regardless of when cash is received or paid.

These statements report TCS' net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of TCS has improved or diminished.

**The Charles School at Ohio Dominican University**  
**Franklin County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*



The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include TCS' student enrollment, per-pupil funding as determined by the State of Ohio, change in technology, required educational programs and other factors. TCS uses enterprise presentation for all of its activities.

**Statement of Net Position**

The Statement of Net Position answers the question of how TCS did financially during 2023. This statement includes all assets and liabilities, both financial and capital, and short-term and long-term using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

Table 1, below, is a summary of TCS' Net Position for fiscal year 2023 and 2022.

(Table 1)  
**Statement of Net Position**

	2023	2022
<b>Assets</b>		
Current Assets	\$ 447,539	\$ 494,678
Non-Current Assets	695,439	621,137
<b>Total Assets</b>	<b>1,142,978</b>	<b>1,115,815</b>
<b>Liabilities</b>		
Current Liabilities	100,728	80,036
<b>Total Liabilities</b>	<b>100,728</b>	<b>80,036</b>
<b>Net Position</b>		
Net Investment in Capital Assets	695,439	621,137
Restricted	0	4,797
Unrestricted	346,811	409,845
<b>Total Net Position</b>	<b>\$ 1,042,250</b>	<b>\$ 1,035,779</b>

**The Charles School at Ohio Dominican University**  
**Franklin County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*

Total assets were \$1,142,978, an increase of 2.4% from the prior year due to an increase in capital assets. Total liabilities increased by 25.9% to \$100,728 as a result of an increase in accounts payable. Cash and cash equivalents were \$348,513 and capital assets, at net, were \$695,439. Intergovernmental receivables totaled \$98,149.

**Statement of Revenues, Expenses and Change in Net Position**

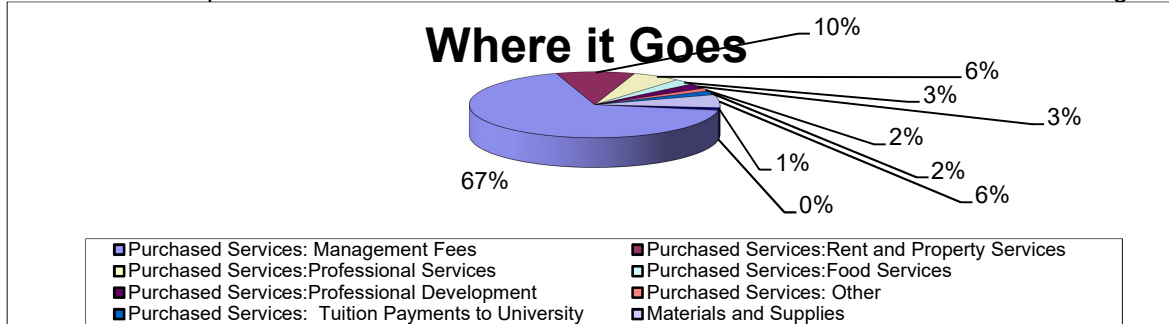
Table 2 below demonstrates the changes in net position for fiscal year 2023 and 2022, as well as a listing of revenues and expenses. This change in net position is important because it tells the reader that, for TCS as a whole, the financial position of TCS has improved or diminished. The cause of this may be the result of many factors, some financial, some not. Non-financial factors include the current laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

(Table 2)  
**Change in Net Position**

	2023	2022
<b>Operating Revenues</b>		
State Aid	\$2,500,999	\$2,412,528
Casino Aid	19,075	19,925
Facilities Funding	141,777	150,107
Food Service	3,262	0
Classroom Fees	17,985	9,487
Other Operating	10,766	9,487
<b>Non-Operating Revenues</b>		
Grants	1,830,949	1,605,002
Investment Income	4,245	110
Loan Forgiveness	0	78,387
Contributions & Donations	15,365	7,521
Total Revenues	4,544,423	4,292,554
<b>Operating Expenses</b>		
Purchased Services: Management Fees	2,926,850	3,178,029
Purchased Services: Rent and Property Services	441,284	308,153
Purchased Services: Professional Services	271,715	218,779
Purchased Services: Food Services	119,043	81,942
Purchased Services: Professional Development	111,839	105,845
Purchased Services: Tuition Payments to University	86,140	106,622
Purchased Services: Other	62,301	32,705
Materials and Supplies	275,428	184,315
Depreciation	45,601	31,039
Other	12,295	8,823
<b>Non-Operating Expenses</b>		
Forgiveness of Receivable	185,456	0
Total Expenses	4,537,952	4,256,252
Change in Net Position	\$ 6,471	\$ 36,302

**The Charles School at Ohio Dominican University**  
**Franklin County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*

Operating revenues were \$2,693,864 which represents 59.3% of total revenue. Total Revenues increased 5.9% from the prior year due to an increase in federal grants and state aid increased due to increased enrollment. Operating expenses were \$4,352,496 which represents 95.9% of total expenses. TCS' most significant expense Purchased Services: Management Fees represents 64.5% of total expenses. The total comprises management fees paid to The Graham School (TGS). The agreement between TCS and TGS provides for TCS to remit a specific percentage of certain revenues received to TGS to finance operations. Note 10 in the notes to the basic financial statements outline this agreement.



**CAPITAL ASSETS**

At the end of fiscal year 2023, TCS had \$695,439 invested in capital assets, net of depreciation. For more information on capital assets, see Note 6 in the notes to the basic financial statements.

**DEBT**

At June 30, 2023, TCS had no combined short and long term debt.

**OTHER INFORMATION**

**For the Future**

In conclusion, TCS has committed itself to financial excellence. TCS acquired, from Columbus City School District, land and a building located at 1270 Brentnell Avenue on April 1, 2017 in the amount of \$555,000. This building is expected to ensure that TCS can meet its enrollment projections and give students a positive learning environment. TCS received donations and private grants to assist in financing the operations and development of curriculum; this practice is expected to continue. TCS has an annual fundraising program and uses the expertise of The Graham School's specialists to assist in this effort. The financial impact of COVID-19 and the ensuing emergency measures have impacted the current period and will continue to impact subsequent periods of the School.

**CONTACTING THE CHARLES SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of The Charles School's finances and to show its accountability for the money received. If you have questions about this report or need additional information contact Ms. Jennifer Smith of The Charles School at Ohio Dominican University, 1270 Brentnell Avenue, Columbus, Ohio 43214 or e-mail at [jsmith.1@mail.thegrahamschool.org](mailto:jsmith.1@mail.thegrahamschool.org).

**THE CHARLES SCHOOL AT OHIO DOMINICAN UNIVERSITY  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF NET POSITION  
JUNE 30, 2023**

**ASSETS**

Current Asset

Cash and Investments	\$ 348,513
Accounts Receivable	877
Intergovernmental Receivable	<u>98,149</u>

Total Current Assets 447,539

Noncurrent Assets

Depreciable Capital Assets, net	583,839
Non-Depreciable Capital Assets	<u>111,600</u>

Total Non-Current Assets 695,439

Total Assets 1,142,978

**LIABILITIES**

Current Liabilities

Accounts Payable	80,106
Intergovernmental Payable	<u>20,622</u>

Total Current Liabilities 100,728

Total Liabilities 100,728

**NET POSITION**

Investment in Capital Assets	695,439
Unrestricted	<u>346,811</u>

Total Net Position \$ 1,042,250

See accompanying notes to the basic financial statements

**THE CHARLES SCHOOL AT OHIO DOMINICAN UNIVERSITY  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**OPERATING REVENUES**

State Aid	\$ 2,500,999
Casino Aid	19,075
Facilities Funding	141,777
Food Service	3,262
Classroom Fees	17,985
Other Operating	10,766

Total Operating Revenues	2,693,864
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**OPERATING EXPENSES**

Purchased Services: Management Fees	2,926,850
Purchased Services: Rent and Property Services	441,284
Purchased Services: Professional Services	271,715
Purchased Services: Food Services	119,043
Purchased Services: Professional Development	111,839
Purchased Services: Tuition Payments to University	86,140
Purchased Services: Other	62,301
Materials and Supplies	275,428
Depreciation	45,601
Other	12,295

<b>TOTAL OPERATING EXPENSES</b>	<b>4,352,496</b>
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<b>NET OPERATING INCOME/(LOSS)</b>	<b>(1,658,632)</b>
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**NON-OPERATING REVENUES (EXPENSES)**

Grants	1,830,949
Investment Income	4,245
Forgiveness of Receivable	(185,456)
Contributions & Donations	15,365

<b>TOTAL NET NON-OPERATING REVENUES (EXPENSES)</b>	<b>1,665,103</b>
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<b>CHANGE IN NET POSITION</b>	<b>6,471</b>
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<b>NET POSITION BEGINNING OF YEAR</b>	<b>1,035,779</b>
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<b>NET POSITION END OF YEAR</b>	<b>\$ 1,042,250</b>
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See accompanying notes to the basic financial statements

**THE CHARLES SCHOOL AT OHIO DOMINICAN UNIVERSITY  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**INCREASE (DECREASE) IN CASH AND INVESTMENTS**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from State of Ohio	\$ 2,660,781
Cash Received from Other Operating Sources	31,136
Cash Payments to Suppliers for Goods and Services	(4,436,450)
Other Cash Payments	<u>(12,295)</u>
 Net Cash Used for Operating Activities	 <u>(1,756,828)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Cash Received from Grants	1,800,312
Cash Received from Contributions and Donations	<u>15,365</u>
 Net Cash Provided by Noncapital Financing Activities	 <u>1,815,677</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Cash Payments for Capital Assets Acquisitions	<u>(142,908)</u>
 Net Cash Used for Capital Financing Activities	 <u>(142,908)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest Income	<u>4,245</u>
 Net Cash Provided by Investing Activities	 <u>4,245</u>

**NET DECREASE IN CASH AND INVESTMENTS**

(79,814)

**CASH AND INVESTMENTS BEGINNING OF YEAR**

428,327

**CASH AND INVESTMENTS END OF YEAR**

\$ 348,513

(Continued)



**THE CHARLES SCHOOL AT OHIO DOMINICAN UNIVERSITY  
FRANKLIN COUNTY, OHIO**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**RECONCILIATION OF OPERATING GAIN(LOSS) TO NET CASH  
PROVIDED BY (USED FOR) OPERATING ACTIVITIES**

Operating Loss	\$ (1,658,632)
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**ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET  
CASH USED FOR OPERATING ACTIVITIES**

Depreciation	45,601
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Changes in Assets and Liabilities:

Accounts Receivable	(186,333)
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Intergovernmental Receivable	(1,071)
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Accounts Payable	39,832
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Intergovernmental Payable	<u>3,775</u>
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Net Cash Used for Operating Activities	<u><u>\$ (1,756,828)</u></u>
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Supplemental Non-Cash Noncapital Financing Activities

During fiscal year 2023, TCS forgave a receivable of \$185,456 due from the school operator (TGS).

See accompanying notes to the basic financial statements

**The Charles School at Ohio Dominican University  
Franklin County, Ohio**

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

**1. DESCRIPTION OF THE REPORTING ENTITY**

The Charles School at Ohio Dominican University (TCS) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. TCS is an approved tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect TCS' tax-exempt status. TCS' objective is to use the Columbus community to form partnerships for student learning. Individualized programs are used to meet students' needs. Parents and students are included in all decision-making. TCS, which is part of the State's education program, is independent and is nonsectarian in its programs, admission policies, employment practices, and all other operations. TCS may acquire facilities as needed and contract for any services necessary for the operation of the school.

TCS was approved for operation under a contract with the Delaware-Union Educational Service Center (the Sponsor) for a period of one year commencing July 1, 2008. A new one year contract was approved commencing July 1, 2009. The Sponsor is responsible for evaluating the performance of TCS and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

On January 1, 2009, the Sponsor merged with the Franklin County Service Center. The surviving organization, the Educational Service Center of Central Ohio, acknowledges its obligations under the existing contract between the Sponsor and TCS, and expects to honor provisions contained therein, as documented in the Memorandum of Understanding dated January 3, 2009. On May 13, 2009, a sponsorship agreement was executed between TCS and the Educational Service Center of Central Ohio for a five (5) year period beginning July 1, 2009. The school has subsequently renewed for an additional two (2) year period extensions now ending June 30, 2024.

TCS operates under the direction of a five-member governing board. The governing board is responsible for carrying out the provisions of the contract, which include but are not limited to, state mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

TCS contracts with The Graham School (TGS) for most of its day-to-day activities (see Note 10).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of TCS have been prepared in conformity with generally accepted accounting principles (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. Following are the more significant of TCS' accounting policies.

**The Charles School at Ohio Dominican University  
Franklin County, Ohio**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Basis of Presentation**

TCS'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. TCS uses enterprise accounting to maintain its financial records during the fiscal year. Enterprise accounting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Enterprise accounting may be used to account for any activity for which a fee is charged to external users for goods or services.

**B. Measurement Focus and Basis of Accounting**

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. The operating statement presents increases and decreases in net position. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is used for reporting purposes. Revenues are recognized when earned and expenses are recognized when they are incurred.

**C. Budgetary Process**

Community schools are statutorily required to adopt a budget by Ohio Revised Code 3314.032(C). However, unlike traditional public schools located in the State of Ohio, community schools are not required to follow the specific budgetary process and limits set forth in the Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the School and its Sponsor. The contract between the School and its Sponsor does not require the School to follow the provisions Ohio Revised Code Chapter 5705; therefore, no budgetary information is presented in the basic financial statements.

**D. Cash and Investments**

All cash received by TCS is deposited in accounts in TCS's name and reflected as Cash and Investments on the Statement of Net Position.

Investments with a maturity of three months or less at the time they are purchased by TCS are considered to be cash equivalents.

**E. Prepaid Items**

TCS records payments made to vendors for services that will benefit future periods as prepaid items using the consumption method. No prepaid items were recorded at June 30, 2023. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is recorded in the year in which the services are consumed.

**The Charles School at Ohio Dominican University  
Franklin County, Ohio**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Capital Assets and Depreciation**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements (deletions) during the year. Donated capital assets are recorded at their acquisition values as of the date received. TCS' capitalization threshold is one thousand dollars.

Buildings and improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's useful life are not. Interest incurred during the construction of capital assets is also capitalized.

All capital assets are depreciated except for land and construction-in-progress. Depreciation of computers and equipment are computed using the straight-line method over an estimated useful life of five years. Improvements to capital assets are depreciated over the remaining useful lives. Buildings are depreciated using the straight-line method over an estimated useful life of forty years.

**G. Intergovernmental Revenues**

TCS currently participates in the State Foundation Program, Casino Aid, and Facilities Funding. Revenue received from this program is recognized as operating revenue (Foundation payments) in the accounting period in which it is earned and becomes measurable. Funding from this program is listed as "Operating Revenues" on the Statement of Revenues, Expenses, and Changes in Net Position.

Grants 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 year when use is first permitted, matching requirements, in which TCS must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to TCS on a reimbursement basis.

Resources where the timing requirement is not met are recorded as a liability to the funding source, and reported as a non-operating expense. Resources received prior to the period of use are deferred.

**H. Net Position**

Net position represents the difference between assets and liabilities. Invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings 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 enabling legislation adopted by TCS or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**The Charles School at Ohio Dominican University  
Franklin County, Ohio**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Operating Revenues and Expenses**

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

**J. Estimates**

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

**3. DEPOSITS AND INVESTMENTS**

**A. Deposits with Financial Institutions**

The carrying value of TCS's deposits are \$172,692, and the bank balance totaled \$230,170, all of which was covered by federal depository insurance, based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2023.

Protection of the TCS'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 pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**B. Investments**

S&P Rating	Investment Type	Measurement Amount	Maturity 0 - 12 Months	Percent of Total
	Net Asset Value (NAV): Federated Government			
AAAm	Obligations	\$ 5	\$ 5	.00%
	Fair Value:			
N/A	U.S. Treasury Bills	<u>175,816</u>	<u>175,816</u>	<u>100.00%</u>
	Total	<u>\$ 175,821</u>	<u>\$ 175,821</u>	<u>100.00%</u>

**The Charles School at Ohio Dominican University**  
**Franklin County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

**3. DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

TCS categorizes its fair value measurements within fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies TCS's recurring fair value measurements as of June 30, 2023. All investments of TCS are valued using quoted market prices (Level 1 inputs).

**4. INTERGOVERNMENTAL RECEIVABLE**

At June 30, 2023, TCS had an intergovernmental receivable in the amount of \$98,149 including federal and state grants due, but not received by year end. The intergovernmental receivable is collectible in the next operating cycle.

**5. ACCOUNTS AND INTERGOVERNMENTAL PAYABLE**

Accounts and Intergovernmental Payable consists of obligations at June 30, 2023 incurred during the normal course of conducting operations.

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**The Charles School at Ohio Dominican University  
Franklin County, Ohio**

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

**6. CAPITAL ASSETS**

For the year ended June 30, 2023, TCS' capital assets consisted of the following:

	<b>Balance 6/30/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2023</b>
<b>Capital Assets Not being Depreciated:</b>				
Land	\$111,600	\$ 0	0	\$ 111,600
Construction-in-Progress	23,005	0	(23,005)	0
<b>Total Capital Assets Not Being Depreciated</b>	<u>134,605</u>	<u>0</u>	<u>(23,005)</u>	<u>111,600</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings	443,400	0	0	443,400
Improvements	37,818	87,705	0	125,523
Computers & Equipment	177,709	55,206	0	232,915
<b>Total Capital Assets Being Depreciated</b>	<u>658,927</u>	<u>142,911</u>	<u>0</u>	<u>801,838</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	(75,757)	(11,369)	0	(87,126)
Improvement	(1,161)	(6,289)	0	(7,450)
Computers & Equipment	(95,477)	(27,943)	0	(123,420)
<b>Total Accumulated Depreciation</b>	<u>(172,395)</u>	<u>(45,601)</u>	<u>0</u>	<u>(217,996)</u>
<b>Total Capital Assets Being Depreciated Net</b>	<u>486,532</u>	<u>97,307</u>	<u>0</u>	<u>583,839</u>
<b>Total Capital Assets, Net</b>	<u>\$ 621,137</u>	<u>\$ 97,307</u>	<u>\$(23,005)</u>	<u>\$ 695,439</u>

**7. RISK MANAGEMENT**

**Insurance Coverage**

TCS is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the year ended 2023, TCS contracted with the Philadelphia Insurance Company for the following insurance coverage:

Commercial General Liability per occurrence	\$1,000,000
Commercial General Liability aggregate	2,000,000
Umbrella Liability per occurrence (\$10,000 self-insured retention)	5,000,000

The amount of settlements did not exceed insurance coverage for any of the past three years. There has been no significant reduction in coverage from the prior year.

**The Charles School at Ohio Dominican University**  
**Franklin County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

**8. CONTINGENCIES**

**A. Grants**

TCS 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of TCS at June 30, 2023, if applicable, cannot be determined at this time.

**B. Loan Guarantor**

The Graham Elementary and Middle School (formerly known as Graham Expeditionary Middle School) entered into a loan with Huntington Bank for the purchase of a school building and land. The total amount of the loan was \$1,080,000 with an annual interest rate of 4.55% to be paid over a 10- year period, with a balloon payment scheduled in year ten. TCS acts as a guarantor on this loan in addition to The Graham School.

**9. SPONSOR**

TCS extended its sponsorship agreement with Delaware-Union Educational Service Center (the Sponsor) for a twelve-month period ending June 30, 2009. Under this agreement, TCS was to remit 2.5% of Foundation receipts to the Sponsor. However, the Board and Sponsor adopted and approved on April 16, 2008, a modified the fee amount from a fixed 1.5% of foundation receipts to "up to" 3%. On May 13, 2009, a sponsorship agreement was executed between TCS and the Educational Service Center of Central Ohio for a five (5) year period beginning July 1, 2009. The pre-existing contract with Delaware-Union Educational Service Center expired on June 30, 2009.

On July 1, 2014, the agreement was extended another three years through June 30, 2017, which was subsequently renewed for an additional 2-year period ending June 30, 2019. A two year extension has been approved ending June 30, 2024.

TCS paid fees to the Sponsor amounting to \$79,050, or approximately 3% of Foundation, for the year ended June 30, 2023. The payments are reported in the Statement of Revenue, Expenses, and Change in Net Position as part of Purchased Services- Professional Services.



**The Charles School at Ohio Dominican University  
Franklin County, Ohio**

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

**10. MANAGEMENT AGREEMENT WITH THE GRAHAM SCHOOL**

Effective July 1, 2007, TCS entered into a two year Management Agreement (the Agreement) with TGS. The Agreement's term ran through June 30, 2009 and was subsequently renewed on July 8, 2009 and modified on August 12, 2009 to cover the periods ending January 31, 2010 and December 31, 2010 respectively. On July 21, 2010, the TCS Board approved a modified agreement with TGS to commence July 1, 2010 through December 31, 2012, which further defined the roles of TGS and TCS in the agreement. In December 2012, the board approved to contract to continue to June 30, 2014. Since June of 2014, the board has approved one year renewals annually. Per the contract, TGS receives a base fee of three (3) percent up of TCS' state foundation, and reimbursement of all direct costs for expenses incurred under the Federal Title program. TGS also receives up to ninety-five (95) percent of TCS' federal and state awards, after a minimum of five (5) percent is spent by TCS to pay its direct expenses. TCS management fee expense for the fiscal year total \$2,926,850, as reported in the Statement of Revenues, Expenses and Changes in Net Position. Of this fee, \$2,008,871 was for general fund related fees and \$834,806 was for grant related reimbursements. The remainder of the expense was for base licensing fees in the amount of \$83,173. During 2023, the annual reconciliation process resulted in a forgiveness of receivable owed by TGS to TCS for \$185,456.

**11. MANAGEMENT COMPANY EXPENSES**

For the year ended June 30, 2023, TGS paid the following expenses on-behalf of TCS:

	<b>Regular Instruction</b>	<b>Special Instruction</b>	<b>Support Services</b>	<b>Total</b>
<b><i>Direct expenses:</i></b>				
<b>Salaries &amp; wages (100 object codes)</b>	\$ 1,055,155	\$ 155,395	\$ 639,627	\$ 1,850,177
<b>Employees' benefits (200 object codes)</b>	\$ 326,421	\$ 35,614	\$ 186,573	\$ 548,608
<b><i>Indirect expenses:</i></b>				
<b>Overhead</b>	\$ 406,572	\$ 56,203	\$ 243,044	\$ 705,819
<b>Total expenses</b>	<b>\$ 1,788,148</b>	<b>\$ 247,212</b>	<b>\$ 1,069,244</b>	<b>\$ 3,104,604</b>

Overhead charges are assigned to TCS based on a percentage of full-time equivalent student enrollment. These charges represent the indirect cost of services provided in the operation of TCS. Such services include, but are not limited to facilities management, equipment, operational support services, management and management consulting, board relations, human resources management, training and orientation, financial reporting and compliance, purchasing and procurement, education services, technology support, and marketing and communications.

**The Charles School at Ohio Dominican University**  
**Franklin County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

**12. COVID-19**

The United State and the State of Ohio declared a state of emergency in March, 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. During fiscal year 2023, TCS received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding and American Rescue Plan Act. The impact of TCS's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
The Charles School at Ohio Dominican University  
Franklin County, Ohio  
1270 Brentnell Avenue  
Columbus, OH 43219

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 Charles School at Ohio Dominican University, Franklin County, Ohio (TCS), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise TCS's basic financial statements, and have issued our report thereon dated December 28, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered TCS'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 TCS's internal control. Accordingly, we do not express an opinion on the effectiveness of TCS'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 entity'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 TCS's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
December 28, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
The Charles School at Ohio Dominican University  
Franklin County, Ohio  
1270 Brentnell Avenue  
Columbus, OH 43219

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

***Opinion on Each Major Federal Program***

We have audited The Charles School at Ohio Dominican University's, Franklin County, Ohio (TCS) 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 each of TCS's major federal programs for the year ended June 30, 2023. TCS's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule Of Findings And Questioned Costs*.

In our opinion, TCS complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each 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 TCS 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 each major federal program. Our audit does not provide a legal determination of TCS's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

TCS'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 TCS's federal programs.

### ***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 TCS'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 TCS's compliance with the requirements of each 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 TCS'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 TCS'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 TCS'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.

The Charles School at Ohio Dominican University  
Independent Auditor's Report on Compliance for Each Major Federal Program and  
Report on Internal Control over Required by the Uniform Guidance  
Page 3 of 3

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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
December 28, 2023

**THE CHARLES SCHOOL AT OHIO DOMINICAN UNIVERSITY  
FRANKLIN COUNTY, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

**FEDERAL GRANTOR**

*Pass Through Grantor*

Program Title	Grant Year	ALN	Federal Expenditures
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**U.S. DEPARTMENT OF AGRICULTURE**

*Passed Through Ohio Department of Education*

Child Nutrition Cluster:

Cash Assistance:

School Breakfast Program	2023	10.553	\$ 13,907
School Lunch Program	2023	10.555	70,891
<i>Cash Assistance Subtotal:</i>			84,798
Total Child Nutrition Cluster			84,798

COVID-19: Pandemic EBT Administrative Costs	2023	10.649	628
Total Pandemic EBT Administrative Costs			628

**Total U.S. Department of Agriculture** 85,426

**U.S. DEPARTMENT OF EDUCATION**

*Passed Through Ohio Department of Education*

Title 1 Grants to Local Educational Agencies	2022	84.010A	21,265
Title 1 Grants to Local Educational Agencies	2023	84.010A	199,257
Title 1 Non Competetive Grants	2023	84.010A	67,439
Title 1 Expanding Oppurtunities Grant	2023	84.010A	38,462
School Quality Improvement	2022	84.010A	226
Total Title 1			326,649

Special Education Cluster:

Special Education Grants to States (IDEA, Part B)	2022	84.027A	68
Special Education Grants to States (IDEA, Part B)	2023	84.027A	76,429
COVID-19: American Rescue Plan IDEA Part B Special Education	2023	84.027X	3,299
Total Special Education Grants to States (IDEA, Part B)			79,796

Total Special Education Cluster 79,796

Improving Teacher Quality Grants to State (Title II-A)	2022	84.367A	980
Improving Teacher Quality Grants to State (Title II-A)	2023	84.367A	10,924
Total Improving Teacher Quality Grants to State (Title II-A)			11,904

Student Support and Academic Enrichment Program	2023	84.424A	5,296
Total Student Support and Academic Enrichment Program			5,296

COVID-19: American Rescue Plan Education Stabilization Fund	2023	84.425U	640,786
COVID-19: Education Stabilization Fund - ESSER II	2023	84.425D	220,384
Total Education Stabilization Fund			861,170

**Total U.S. Department of Education** 1,284,815

**Totals** \$ 1,370,241



**THE CHARLES SCHOOL AT OHIO DOMINICAN UNIVERSITY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of The Charles School at Ohio Dominican University (TCS) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented 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 TCS, it is not intended to and does not present the financial position, changes in net position, or cash flows of TCS.

**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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. TCS has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note C – Child Nutrition Cluster**

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

**Note D – Transfers Between Program Years**

TCS generally must spend Federal assistance within 15 months of receipt. However, with Ohio Department of Education (ODE) approval, TCS can transfer (carryover) unspent Federal assistance to the succeeding year, thus allowing TCS a total of 27 months to spend the assistance. During fiscal year 2023, the ODE authorized the following transfers:

<u>ALN Number / Grant Title</u>	<u>Grant Year</u>	<u>Transfer Out</u>	<u>Transfer In</u>
84.010A Title I Grants to Local Educational Agencies	2022	\$ 43,203	
84.010A Title I Grants to Local Educational Agencies	2023		\$ 43,203
84.010A Expanding Opportunities for Each Child Non-Competitive Grant	2022	10,685	
84.010A Expanding Opportunities for Each Child Non-Competitive Grant	2023		10,685
		<u>\$ 53,888</u>	<u>\$ 53,888</u>

**THE CHARLES SCHOOL AT OHIO DOMINICAN UNIVERSITY  
FRANKLIN COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
2 CFR §200.515  
JUNE 30, 2023**

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

(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	None Reported
(d) (1) (iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d) (1) (iv)	Were there any significant deficiencies in internal control reported for major federal programs?	None Reported
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d) (1) (vii)	Major Programs (list):  COVID-19: American Rescue Plan Education Stabilization Fund / COVID-19: Education Stabilization Fund - ESSER II	ALN # 84.425D/84.425U
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee under 2 CFR §200.520?	No

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

None were noted.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None were noted.

# OHIO AUDITOR OF STATE KEITH FABER



**THE CHARLES SCHOOL AT OHIO DOMINICAN UNIVERSITY  
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 3/21/2024**

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

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