

**RESOLUTION #22-23-63 APPROVING 2023 RENEWAL CONTRACT
FOR TOWNSEND COMMUNITY SCHOOL**

The Board of Education of the Margaretta Local City School District (“Board”), Erie County, Ohio, met in regular session on the 27th day of March, 2023, at the offices of said Board with the following members present:

Mr. Hula, Mr. Schoenegge, Mrs. Tucker, Mr. Warner, and Mr. Sutorius.

The Treasurer advised the Board that the notice requirement of R.C. 121.22 and any amendments and implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

Mr. Warner moved the adoption of the following resolution:

WHEREAS, the Board’s Renewal Contract for Community School (the “Sponsor Contract”), as amended, with the Governing Authority of Townsend Community School (“TCS”) expires on June 30, 2023; and

WHEREAS, the Sponsor Contract contains a procedure for renewal; TCS applied for renewal, and the Board adopted a resolution expressing its intent to renew TCS, and thereafter the parties negotiated a renewal contract.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Margaretta Local School District, Erie County, Ohio, that:

Section 1: Pursuant to R.C. 3314.03(E), the Board finds that TCS’ compliance with applicable laws and terms of the Sponsor Contract and the School’s progress in meeting the academic goals prescribed in the Sponsor Contract have been satisfactory and hereby approves the “2023 Renewal Contract for Townsend Community School”, a copy of which is attached as Exhibit “A”.

Section 2. The Superintendent is hereby authorized and directed to execute the 2023 Renewal Contract for Townsend Community School.

Section 3. It is hereby found and determined that all formal actions of this Board concerning and relating to the adoption of this resolution were adopted in an open meeting of the Board, and that all deliberations of this Board and any of its committees that resulted in such formal actions were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code, and any amendments thereto.

Mr. Schoenegge seconded the Motion and upon roll call, the vote resulted as follows:

Roll Call: All Ayes.

Motion passed and adopted this 27th day of March, 2023.



Brian Sutorius, President, Board of Education

ATTEST



Diane Keegan, Treasurer

2023 RENEWAL CONTRACT
for
TOWNSEND COMMUNITY SCHOOL

This Contract is entered into by and between Margareta Local School District Board of Education (“SPONSOR”), and the Governing Authority of Townsend Community School (“GOVERNING AUTHORITY” or “SCHOOL”) (collectively, the “PARTIES”).

WHEREAS, the SPONSOR is authorized to sponsor community schools;

WHEREAS, the SPONSOR currently sponsors the SCHOOL pursuant to a Renewal Contract for Townsend Community School (the contract and any amendments or modifications, collectively the “Existing Contract”) with a term ending June 30, 2023;

WHEREAS, the SCHOOL applied for the SPONSOR to continue to sponsor the SCHOOL;

WHEREAS, as required by R.C. 3314.03(E) and through the renewal process, which included a High Stakes Review, the SPONSOR found that the SCHOOL’s compliance with applicable laws and the terms of the Existing Contract, and the SCHOOL’s progress in meeting the academic in the Existing Contract have been satisfactory;

WHEREAS, pursuant to the aforementioned review, SPONSOR desires to extend its relationship through this Contract.

NOW, THEREFORE, in consideration of the mutual benefits provided hereunder and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the PARTIES agree as follows:

ARTICLE I
PURPOSE

- A. **Continued Operation of Community School.** The GOVERNING AUTHORITY and the SPONSOR agree that the GOVERNING AUTHORITY shall operate a community school as permitted by law, subject to applicable federal laws, the laws of the State of Ohio, and the terms of this Contract. Pursuant to Ohio Revised Code Section 3314.01, the SCHOOL may sue and be sued, acquire facilities as needed, contract for services necessary for the operation of the SCHOOL, and enter into additional contracts with the SPONSOR.
- B. **Term.** This Contract shall be for a five (5) year term commencing on July 1, 2023 and ending on June 30, 2028. If the term of the Contract is for five years or more, the SPONSOR will conduct a High Stakes Review before renewal, and at least once every five years.

ARTICLE II GOVERNING AUTHORITY

A. Governing Authority Members.

1. **Exhibit 1(A)** contains the Code of Regulations, which includes a description of the process by which the GOVERNING AUTHORITY of the SCHOOL shall be selected in the future.
2. The GOVERNING AUTHORITY shall consist of not fewer than five individuals.
3. No GOVERNING AUTHORITY member may be an owner, employee, or immediate relative of owners or employees of any firm that operates or manages a school for the GOVERNING AUTHORITY. No employee of the SCHOOL shall be a member of the GOVERNING AUTHORITY.
4. All members of the GOVERNING AUTHORITY must be residents of the State of Ohio.
5. All GOVERNING AUTHORITY members must submit a clean BCI and FBI criminal background check in accordance with R.C. 3319.31, which must be renewed every five years unless the Director has lived in Ohio for the past five (5) years in which case only a BCI check must be repeated. A copy of said background check shall be submitted to the SPONSOR prior to appointment and prior to the fifth year of the previously completed background check.
6. No candidate or member may serve on the GOVERNING AUTHORITY if prohibited from doing so by R.C. 3314.02, Chapter 3314 of the Revised Code, Chapter 102 of the Revised Code, Ohio's Ethics Laws, or any other law, rule, or regulation.
7. The SPONSOR shall be notified in writing prior to any proposed changes in the composition of the GOVERNING AUTHORITY.
8. If at any time it is necessary or desirable for the SPONSOR to officially appoint the GOVERNING AUTHORITY members, the SCHOOL may so request and the SPONSOR shall so comply, but shall base its criteria on objective and relevant facts and the recommendations of the SCHOOL's nominating committee.
9. All members of the GOVERNING AUTHORITY shall disclose on the Board roster the names of other community school boards on which they sit, if applicable, and complete all disclosure statements required by the SPONSOR and Ohio law.

10. The SCHOOL shall maintain and provide to the SPONSOR the names, phone numbers used for SCHOOL business, and electronic mail addresses of the GOVERNING AUTHORITY members. The SPONSOR shall take steps to avoid the disclosure of the personal contact information of the GOVERNING AUTHORITY members to the extent permissible by Ohio Public Records laws.

B. Governing Authority Meetings.

1. GOVERNING AUTHORITY meetings must be held at least six (6) times per year.
2. Notice of such regular meetings shall be provided to the SPONSOR in writing. Notice of special meetings must be sent to the SPONSOR as soon as scheduled and in no case with less than 24 hours prior to the Special Meeting. Notice of an Emergency Meeting shall be provided to the SPONSOR as soon as possible. The SPONSOR shall be provided copies of all agenda, packets, handouts, and minutes of all meetings of the GOVERNING AUTHORITY or its committees.
3. The SCHOOL shall provide sufficient information to establish compliance with Ohio's Open Meeting laws by identifying the reasons for entering into executive session in its resolution.
4. The SPONSOR may be an invited participant in the SCHOOL's GOVERNING AUTHORITY executive sessions unless the executive session is concerning a matter of negotiation or conflict between the SCHOOL and the SPONSOR, or a matter of attorney-client privilege between the SCHOOL and its independent attorney, or a matter that the GOVERNING AUTHORITY deems to need due diligence by the GOVERNING AUTHORITY before disclosure to the SPONSOR.

- C. Governing Authority Member Training.** All members of the GOVERNING AUTHORITY must participate in training required by law and as reasonably determined necessary by the SPONSOR pursuant to any findings of noncompliance.

D. Governing Authority Member Compensation.

1. Members of the GOVERNING AUTHORITY may not vote to compensate a Board member during that Board member's term, but rather before any term begins.
2. Board members may not be compensated more than \$125 per meeting attended and not to exceed over \$5,000 per year collectively from all community schools that Board member serves. If a Board member serves on the governing authorities of more than five (5) community school at any one time, the Board member shall serve in a volunteer capacity regardless of any previously approved compensation.

**ARTICLE III
RESPONSIBILITIES OF THE SCHOOL**

- A. **Community School Obligations.** The SCHOOL covenants and agrees to comply with all of the following provisions of this Contract.
1. **Corporate Status.** The SCHOOL shall be established and shall maintain in good standing its status as a public benefit corporation established under Chapter 1702 of the Revised Code. The SCHOOL may apply and qualify as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. Should the SCHOOL so qualify, a copy of its federal tax-exempt status determination letter must be provided to the SPONSOR.
 2. **Governance Documents.** The SCHOOL's Certificate of Incorporation, Articles of Incorporation, and Code of Regulations are attached to **Exhibit 1(A)** to this Contract. Should any of these documents be modified or created subsequent to the execution of this Contract, the SCHOOL must submit the same to the SPONSOR within three (3) business days prior to the effective date of such changes.
 3. **Additional Contracts.** Except for a collective bargaining agreement and as otherwise permitted by this Contract, contracts entered into by the SCHOOL with third parties shall provide for a right to cancel, terminate, or non-renew effective upon expiration of this Contract.
 4. **Compliance with Law.**
 - a. **Compliance with Non-Community School Laws.** The SCHOOL will comply with sections 9.90, 9.91, 109.65, 121.22, 149.43, 2151.357, 2151.421, 2313.19, 3301.0710, 3301.0711, 3301.0712, 3301.0715, 3301.0729, 3301.948, 3302.037, 3313.472, 3313.50, 3313.539, 3313.5310, 3313.608, 3313.609, 3313.6012, 3313.6013, 3313.6014, 3313.6015, 3313.6020, 3313.6024, 3313.6025, 3313.6026, 3313.643, 3313.648, 3313.6411, 3313.66, 3313.661, 3313.662, 3313.666, 3313.667, 3313.668, 3313.669, 3313.6610, 3313.67, 3313.671, 3313.672, 3313.673, 3313.69, 3313.71, 3313.716, 3313.718, 3313.719, 3313.7112, 3313.721, 3313.80, 3313.801 (unless the SCHOOL is an internet- or computer-based school), 3313.814, 3313.816, 3313.817, 3313.818, 3313.86, 3313.89, 3313.96, 3319.073, 3319.077, 3319.078, 3319.238, 3319.318, 3319.321, 3319.39, 3319.391, 3319.393, 3319.41, 3319.46, 3320.01, 3320.02, 3320.03, 3321.01, 3321.041, 3321.13, 3321.14, 3321.141, 3321.17, 3321.18, 3321.19, 3321.191 (unless it is an internet- or computer-based community school that is subject to R.C. 3314.261), 3323.251, 3327.10, 4111.17, 4113.52, 5502.262, 5502.703, and 5705.391 and Chapters 117., 1347., 1702., 2744., 3307 and 3309 (subject to federal law), 3314., 3365., 3742., 4112., 4123., 4141., and 4167 of the Revised Code as if it were a school

district and will comply with section 3301.0714 of the Revised Code in the manner specified in Section 3314.17 of the Revised Code;

- b. The SCHOOL shall comply with Chapter 102 and sections 2921.42, 2921.43, and 2921.44 of the Revised Code. The GOVERNING AUTHORITY shall adopt a Conflict of Interest policy.
 - c. If the SCHOOL operates a preschool program that is licensed by the Department of Education under sections 3301.52 to 3301.59 of the Revised Code, the SCHOOL shall comply with sections 3301.50 to 3301.59 of the Revised Code and the minimum standards for preschool programs prescribed in rules adopted by the State Board under section 3301.53 of the Revised Code.
 - d. The SCHOOL will comply with sections 3313.6021 and 3313.6023 of the Revised Code as if it were a school district unless it is either of the following: (i) an internet- or computer-based community school; or (ii) a community school in which a majority of the enrolled students are children with disabilities as described in division (A)(4)(b) of section 3314.35 of the Revised Code.
 - e. The SCHOOL shall comply with all other laws or rules that are or become applicable to Ohio community schools.
5. The SCHOOL and GOVERNING AUTHORITY shall comply with all other Federal, State and local laws and rules applicable to public community schools, and to the terms of this Contract.

6. Location.

- a. The SCHOOL is located at the facilities specified below (collectively, the "TCS Facility").
 - (i) 207 Lowell Street, Castalia, Ohio 44824 (the "Castalia Learning Center"). The Castalia Learning Center is a two-story building, which contains classrooms, common areas, and office spaces for teachers and administrators. The annual costs associated with leasing the facility from Margareta Local School District are \$5,400.00.
 - (ii) 138 Market Street, Sandusky, Ohio 44870 (the "Sandusky Learning Center"). The Sandusky Learning Center is located in the second floor at the Sandusky Artisans Cooperative and contains office and classroom space for teachers and students. The annual costs associated with the lease of the facility from the Sandusky Artisans Cooperative is \$0.

- (iii) 416 West State Street, Fremont Ohio 43420 (the “Pontifex Building”). The Pontifex Building is comprised of the Large Banquet Hall Room and the Mid-Sized Conference Room located in the property owned by Pontifex Inc. The Pontifex Building contains classroom space for teachers and students. The monthly rent is \$500.00, and the annual costs associated with the lease of the facility from Pontifex Inc. is \$6,000.00. Use of the Pontifex Building shall not begin until at least ten (10) business days after the SPONSOR submits opening assurances to the Ohio Department of Education.
- b. The SCHOOL represents that it is authorized to use both the Castalia Learning Center and the Sandusky Learning Center pursuant to R.C. 3314.05(B)(4). Accordingly, the SCHOOL may assign students in the same grade level to multiple facilities. The SCHOOL shall not utilize other locations or facilities for educational purposes without the SPONSOR’s prior written approval.
- c. Prior to the SCHOOL entering or renewing any lease or purchase agreement for real property (“Property Agreement”), the SPONSOR shall have the right to: (i) inspect and approve the property; (ii) reasonably request and review documentation to assess the adequacy of the property; and (iii) review the terms of the Property Agreement prior to execution consistent with Article III, Section B of this Contract. Said approval shall not be granted unless the SPONSOR determines both that the use of such facilities are permitted by law and any other agreement, and the SCHOOL has completed all steps required by law, this Contract, or any other agreement that would enable the SCHOOL to use said facility or location; however, SPONSOR’s approval of a Property Agreement shall not be unreasonably withheld. Each Property Agreement and any modification or renewal thereof shall be provided to the SPONSOR upon execution.
- d. The TCS Facility and any other facility or location used for or by the SCHOOL shall meet all health and safety standards established by law for school buildings.
- e. The GOVERNING AUTHORITY recognizes the rights of public health and safety officials to inspect the TCS Facility and any other facilities or locations of the SCHOOL and to order the TCS Facility and other facilities or locations closed if those officials find that such facilities or locations are not in compliance with health and safety laws and regulations. Copies of all current permits, inspections and/or certificates must be filed with the SPONSOR.
- f. The GOVERNING AUTHORITY shall permit the local board of health access to the following: (1) the SCHOOL’s TCS Facility and any other

facilities or locations of the SCHOOL for inspection at any time during the SCHOOL's operation; and (2) any records or information necessary that is not subject to privacy laws. If required by the local board of health, the SCHOOL shall submit a plan to abatement of conditions at the SCHOOL determined to be hazardous to occupants.

- g. The GOVERNING AUTHORITY recognizes the authority of the Department of Education to suspend the operation of the SCHOOL under section 3314.072 of the Revised Code if the Department has evidence of conditions or violations of law at the SCHOOL that pose an imminent danger to the health and safety of the SCHOOL's students and employees and the SPONSOR refuses to take such action.
 - h. The SCHOOL represents that it has an approved emergency management plan pursuant to R.C. 5502.262 for each TCS facility and any other building under the SCHOOL's control.
 - i. The SCHOOL represents and agrees that it is in compliance with the requirements of R.C. 3313.86 for each TCS Facility.
 - j. The SCHOOL represents and agrees that for each TCS Facility that it operates, the facility is primarily used for the education of K-12 students. Accordingly, the SCHOOL represents that it is in compliance with the Settlement Agreement's requirement that "it will not operate facilities that are not primarily used for the education of K-12 students."
7. **Prior Status.** The SCHOOL was not a non-public chartered or non-chartered school in existence on January 1, 1997. This representation is material, and if in error, the SPONSOR may terminate this Contract. For purposes of this subsection, if the SCHOOL is new but the faculty and students in 1997 were almost all located at the same non-public chartered or non-chartered school in existence on January 1, 1997, the SCHOOL will be considered to be a non-public chartered or non-chartered school.
8. **Non-Sectarian.** The SCHOOL is nonsectarian in its programs, admissions policies, employment practices, and all other operations, and will not be operated by a sectarian school or religious institution.
9. **Educational Program.**
- a. The educational program of the SCHOOL, including the SCHOOL's mission, goals, instructional methods, and the focus of the curriculum are contained in **Exhibit 1(C)**.

- b. The SCHOOL shall provide learning opportunities for a minimum of twenty-five (25) students for a minimum of nine hundred twenty (920) hours per school year.
- c. **Exhibit 1(C)** shall include a description of the learning opportunities that will be offered to students (including both classroom and non-classroom-based learning opportunities) that complies with the criteria for student participation required by law.
- d. Except as otherwise permitted by law, learning opportunities shall be provided by or supervised by a licensed teacher, goal oriented, and certified by a licensed teacher as meeting the criteria established for completing the learning opportunity. The SCHOOL shall ensure non-classroom-based learning opportunities comply with Ohio law and the latest FTE manual, or a reasonable interpretation of ambiguous provisions therein, as to adequate documentation of durational requirements of participation. If the SCHOOL is unclear as to any provisions in the FTE Manual or believes any provisions are ambiguous, the SCHOOL shall contact the SPONSOR and the Department to reasonably resolve any ambiguity. The SPONSOR may review participation records for upon request.
- e. **Blended Learning Model.**
 - (i) The SCHOOL shall operate using a blended learning model. The SCHOOL's model shall be consistent with the model described in **Exhibit 2**. Failure to operate a model consistent with **Exhibit 2** is grounds for intervention in this Contract up to and including termination.
 - (ii) The SCHOOL shall use a filtering device or install filtering software that protects against internet access to materials that are obscene or harmful to juveniles on each computer provided to students for instructional use. The SCHOOL shall provide such device or software at no cost to any student who works primarily from the student's residence on a computer obtained from a source other than the school.
- f. The SCHOOL shall begin operation not later than September 30 of each year, subject to Revised Code §§3314.016(B)(7)(a)(iv) and 3314.03(A)(25). Time is of the essence in beginning operation each year. Failure to timely commence operation is grounds for termination of this Contract.
- g. Any proposed change to an internet-based school shall comply with Ohio law and require amendment to this Contract.

10. **State Assessments.** The SCHOOL will comply with sections 3313.61, 3313.611, 3313.614, 3313.617, 3313.618, and 3313.6114 of the Revised Code, except that for students who enter ninth grade for the first time before July 1, 2010, the requirement in sections 3313.61 and 3313.611 of the Revised Code that a person must successfully complete the curriculum in any high school prior to receiving a high school diploma may be met by completing the curriculum adopted by the GOVERNING AUTHORITY of the community school rather than the curriculum specified in Title XXXIII of the Revised Code or any rules of the State Board of Education. Beginning with students who enter ninth grade for the first time on or after July 1, 2010, the requirement in sections 3313.61 and 3313.611 of the Revised Code that a person must successfully complete the curriculum of a high school prior to receiving a high school diploma shall be met by completing the requirements prescribed in Section 3313.6027 and division (C) of section 3313.603 of the Revised Code, unless the person qualifies under division (D) or (F) of that section. The SCHOOL shall comply with the plan for awarding high school credit based on demonstration of subject area competency, and beginning with the 2017-2018 school year, with the updated plan that permits students enrolled in seventh and eighth grade to meet curriculum requirements based on subject area competency adopted by the State Board of Education under divisions (J)(1) and (2) of section 3313.603 of the Revised Code. Beginning with the 2018-2019 school year, the SCHOOL shall comply with the framework for granting units of high school credit to students who demonstrate subject area competency through work-based learning experiences, internships, or cooperative education developed by the department under division (J)(3) of section 3313.603 of the Revised Code.

Notwithstanding anything contrary in this Contract, the SCHOOL shall not be required to administer any state assessments if excused from doing so due to the COVID-19 pandemic.

11. **Assessments, Administration, and Benchmarks of New Students.** The SCHOOL shall timely administer assessments, which shall include statewide proficiency and achievement tests, and any other assessments required by law or recommended by the SPONSOR. The GOVERNING AUTHORITY shall notify the SPONSOR in writing in advance of its intent to change assessment tools. In addition to the required testing, the SCHOOL must assess and keep initial benchmarks of all new students in order to provide guidance for the SPONSOR to review adequate yearly progress.
12. **Mandated Corrective Actions.** The SCHOOL will comply with sections 3302.04 and 3302.041 of the Revised Code, except that any action required to be taken by a school district pursuant to that section shall be taken by the SPONSOR of the SCHOOL. However, the SPONSOR shall not be required to take any action described in division (F) of section 3302.04 of the Revised Code.

13. **Intervention Plan.** The GOVERNING AUTHORITY shall develop a plan for intervention of all students not found proficient or not making adequate yearly progress.
14. **Annual Report.** The GOVERNING AUTHORITY shall submit, no later than four months after the end of the school year to the SPONSOR and to the parents of all students enrolled in the SCHOOL, its financial status, including financial statements, proposed budget and an annual report of its activities and progress in meeting the goals and standards of this Contract. The financial statements shall be in such form as is prescribed by the State Auditor.
15. **Monthly Reports.** The GOVERNING AUTHORITY shall report monthly to the SPONSOR, in writing, all statistics, including financials, enrollment, staff and teacher turnover, expulsions, and suspensions.
16. **Reporting of Data.** The GOVERNING AUTHORITY shall report annually to the SPONSOR and the State Board of Education on the day set by the State Board of Education all of the reporting requirements as set forth by Chapter 3314 of the Ohio Revised Code, including but not limited to those found in section 3314.08(B), and shall collect and provide any data that the SPONSOR or the State Board of Education request in furtherance of any study or research that the Ohio General Assembly requires such office to conduct.
17. **Additional Reporting.** The SCHOOL shall respond promptly to the SPONSOR's inquiries regarding such information or other matters the SPONSOR reasonably deems important. The SCHOOL shall report to the SPONSOR the following, including, but not limited to: (a) the disclosure statements of each member of the GOVERNING AUTHORITY required under R.C. 3314.02(E)(7); (b) any finding for recovery by the Auditor of State against any GOVERNING AUTHORITY member or any employee; (c) an updated asset report showing all assets purchased with public funds; and (d) verification of the annual training in Open Meetings and Public Records laws by the GOVERNING AUTHORITY members, the designated fiscal officer, the chief administrator and other administrators of the SCHOOL.
18. **Complaints and Litigation Reporting.** The GOVERNING AUTHORITY must report immediately to the SPONSOR knowledge of any material complaints, potential litigation, and litigation against or affecting the SCHOOL.
19. **Admission Procedures.** The admission procedures of the SCHOOL, characteristics of students, ages and grades of students are set forth in **Exhibit 1(C)**. At a minimum, the admission procedures at all times must:
 - a. specify that the SCHOOL will not discriminate in its admission of students to the SCHOOL on the basis of gender, race, religion, color, national origin, disability, or sex and will not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability,

except that: (i) there may be single gender schools offered in comparable facilities with comparable learning opportunities; (ii) a school may simultaneously serve autistic and non-disabled students (3314.051); however, unless the SCHOOL's total capacity has been filled, no student with any disability shall be denied admission on the basis of that disability.

b. Consistent with R.C. 3314.06, enrollment shall be open to any individual ages 5-22 (and so long as authorized, over age 22) entitled to attend school pursuant to R.C. 3313.64 or 3313.65, except that admissions to the SCHOOL are limited to:

(i) students who have obtained specific grade level or are within a specific age group as specified in **Exhibit 1(C)**;

(ii) students who meet the definition of "at-risk" as specified in **Exhibit 1(C)**;

(iii) residents of a specific geographic area as specified in **Exhibit 1(C)**; and

(iv) to separate groups of autistic students and students who are not disabled, as authorized in 3314.061 as specified in **Exhibit 1(C)**.

Notwithstanding anything in this Contract to the contrary, the geographic area may not exceed any agreement entered between the SCHOOL, the SPONSOR, and the Ohio Department of Education.

c. If the number of applicants exceeds the capacity restrictions set forth in this Contract, then students shall be admitted by lot, provided however the GOVERNING AUTHORITY must give preference to students who reside in the district in which the SCHOOL is located and may give preference to others only as allowed by the Ohio Revised Code Section 3314.06(G). The GOVERNING AUTHORITY agrees to make lottery dates available to the SPONSOR at least five (5) days in advance so the SPONSOR may attend.

d. Upon admission of any student with a disability, the SCHOOL shall comply with federal and state laws regarding the education of students with disabilities.

e. The SCHOOL will not restrict its marketing or recruiting efforts to any particular racial or ethnic group, but will attempt to achieve a racial and ethnic balance that reflects the community it serves as described in **Exhibit 1(C)**.

- f. Notwithstanding the admissions procedures of this Contract, in the event that the racial composition of the enrollment of the SCHOOL is in violation of a federal desegregation order, the SCHOOL shall take any and all corrective measures to comply with the desegregation order.
 - g. The SCHOOL shall adopt a policy regarding the admission of students who reside outside of the district in which the SCHOOL is located. That policy shall comply with the admissions procedures specified in sections 3314.06 and 3314.061 of the Revised Code. The territory of the SCHOOL is described in **Exhibit 1(C)**.
20. **Required Statement.** The GOVERNING AUTHORITY shall distribute to parents of students upon their enrollment the required statement concerning state-prescribed testing and compulsory attendance law as prescribed in R.C. 3314.041.
21. **Tuition and Fees.** Tuition in any form shall not be charged for the enrollment of any student, unless allowed by law or for out-of-state enrollees. The SCHOOL shall not require contributions either from any student eligible to enroll or enrolled in the SCHOOL or from any parent or guardian of a student who is enrolled or intending to enroll in the SCHOOL. Nothing in this section shall prevent the charging of reasonable class, book, or similar fees—or the SCHOOL’s engaging in voluntary fund-raising activities to the extent such fees or fund-raising activities are consistent with law.
22. **Attendance and Participation.**
- a. The GOVERNING AUTHORITY must adopt an attendance policy that includes a procedure for automatically withdrawing (dismissing) a student from the SCHOOL if the student without legitimate excuse fails to participate in seventy-two (72) consecutive hours of the learning opportunities offered to the student. Said policy shall be provided to the SPONSOR upon request.
 - b. The SCHOOL’s attendance and participation policies must be available for public inspection, and upon request, to the Department of Education, Auditor of State, the SPONSOR, to the extent permitted by the FERPA, the Ohio Privacy Act, and any other laws, rules or regulations.
 - c. The GOVERNING AUTHORITY shall adopt an enrollment and attendance policy that requires a student’s parent to notify the SCHOOL when there is a change in the location of the parent’s or student’s primary residence.
 - d. The GOVERNING AUTHORITY shall adopt a student residence and address verification policy for students enrolling in or attending the school.

23. **Suspension, Expulsion, Removal, and Permanent Exclusion.** The SCHOOL shall comply with its policies regarding suspension, expulsion, removal and permanent exclusion of a student that specifies among other things the types of misconduct for which a student may be suspended, expelled or removed and the due process related thereto. Said policies shall be provided to the SPONSOR upon request. Said policies and practices shall not infringe upon the rights of disabled students as provided by state and federal law and the SCHOOL must have a separate policy for the discipline, suspension, expulsion, removal, or permanent expulsion of disabled students.
24. **Final Year of Operations.** If it is determined that the SCHOOL must close, the programs provided to students in a final year of the SCHOOL must continue without interruption or reduction unless program changes are approved in writing by the SPONSOR. The SPONSOR may, but is not obligated to, assume operation of the SCHOOL under R.C. 3314.073(B). The SPONSOR may replace the GOVERNING AUTHORITY, should the GOVERNING AUTHORITY abandon or be materially in breach of its duties hereunder or at law.
25. **Minimum Teacher and Licensure Requirements.** At least one (1) full-time classroom teacher or two (2) part-time classroom teachers each working more than twelve (12) hours per week must be employed by the SCHOOL. The full-time classroom teachers and part-time classroom teachers teaching twelve (12) hours per week or more shall be certified in accordance with sections 3319.22 or 3319.31 of the Ohio Revised Code. The SCHOOL may employ non-certificated persons to teach up to twelve (12) hours or forty (40) hours per week pursuant to section 3319.301 of the Ohio Revised Code. The SCHOOL may also employ non-teaching employees.
26. **Length of Employment Contracts.** Although the GOVERNING AUTHORITY may employ teachers and non-teaching employees necessary to carry out its mission and fulfill this Contract, no contract of employment shall be extended beyond the date of expiration of this Contract.
27. **Third Party Contracts.** The SCHOOL may employ or contract with a third party to employ, administer, and hire teachers and non-teaching staff necessary to carry out its mission and fulfill this Contract.
28. **Health and Other Benefits.** The GOVERNING AUTHORITY must provide to all full-time employees health and other benefits as are set out in **Exhibit 3**. **Exhibit 3** may be amended from time to time with the prior written approval of the SPONSOR. In the event certain employees have bargained collectively pursuant to Chapter 4117 of the Ohio Revised Code, the collective bargaining agreement supersedes **Exhibit 3** to the extent that the collective bargaining agreement provides for health and other benefits. To the extent required or allowed by law, the benefits

provided by the SCHOOL include and are subject to Chapters 3307 and 3309 of the Ohio Revised Code (“STRS” and “SERS”) as applicable.

29. **EMIS Reporting.** The SCHOOL agrees to maintain a qualified person for the purpose of reporting to the Department of Education through its Educational Management Information System (EMIS) pursuant to R.C. 3314.17. The GOVERNING AUTHORITY is aware that the SCHOOL is responsible for reporting community school data under R.C. 3301.0714 (EMIS).
30. **Financial Plan.** Except as otherwise provided herein or as separately agreed by the PARTIES, the SCHOOL shall operate in compliance with **Exhibit 1(D)** (“Financial Plan”), which establishes an estimated school budget for each year of the term of this Contract and specifies a total estimated per pupil expenditure amount for each such year.
 - a. The SCHOOL shall annually adopt a budget by October 31, which shall specify the total estimated per pupil expenditure amount for each year as required by Revised Code Section 3314.032(C).
 - b. The SCHOOL’s fiscal year shall be July 1 to June 30.
 - c. The SCHOOL may borrow money to pay any necessary and actual expenses of the SCHOOL in anticipation of receipt of any portion of the payments to be received by the SCHOOL pursuant to Ohio Revised Code Section 3314.08(D). The SCHOOL may issue notes to evidence such a borrowing. The proceeds from the notes shall be used only for the purposes for which the anticipated receipts may be lawfully expended by the SCHOOL (R.C. 3314(J)(1)(a)). The SCHOOL may also borrow money for a term not to exceed fifteen (15) years for the purpose of acquiring facilities pursuant to R.C. 3314.08(J)(1)(b), or as may be modified by an subsequent laws, rules or regulations.
 - d. If the SCHOOL is the recipient of moneys from a grant awarded under the federal race to the top program, Division (A), Title XIV, Sections 14005 and 14006 of the “American Recovery and Reinvestment Act of 2009,” Pub. L. No. 111-5, 123 Stat. 115, the SCHOOL will pay teachers based upon performance in accordance with Section 3317.141 and will comply with Section 3319.111 of the Revised Code as if it were a school district.
 - e. The SCHOOL shall be subject to financial audits by the Auditor of State. Financial records of the SCHOOL shall be maintained in the same manner as the financial records of school districts, pursuant to rules of the auditor of state. Audits shall be conducted in accordance with section 117.10 of the Revised Code.

- f. The SCHOOL shall comply with its policies and procedures regarding internal financial controls of the SCHOOL. Said policies and procedures as set forth in the Financial Plan, attached as **Exhibit 1(D)**. The SCHOOL shall comply with requirements and procedures for financial audits by the Auditor of the State, including notifying the SPONSOR of any audits or audit meetings.
- g. The SCHOOL shall have a designated and licensed fiscal officer, independent from the SPONSOR. If the SCHOOL's fiscal officer changes, the GOVERNING AUTHORITY must notify the SPONSOR in writing. The fiscal officer must provide a bond, and all money received by the SCHOOL shall be placed in the custody of the fiscal officer. The SCHOOL shall meet the requirements and follow the procedures for program and financial audits established from time to time by the Auditor of the State of Ohio and the Ohio Department of Education. The treasurer's bond (or copy thereof) shall be provided to the SPONSOR and the GOVERNING AUTHORITY.
- h. Except as otherwise provided in R.C. 3.061, the fiscal officer of the SCHOOL must be bonded in the minimum amount of \$25,000 annually. In lieu of a surety bond, the SCHOOL may adopt a policy permitting its fiscal officer to obtain insurance coverage through an "employee dishonesty and faithful performance of duty policy" issued by a joint self-insured pool. Insurance coverage must be for no less than twenty-five thousand dollars (\$25,000), and both the SCHOOL and SPONSOR shall be listed as additional insured parties. The SCHOOL shall provide evidence of such bond or other compliance to the SPONSOR upon request.
- i. The SCHOOL shall adopt a policy to recover overpayments to vendors and employees.

31. **Insurance.** The Governing Authority will, at all times, maintain comprehensive general liability insurance in amounts not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate, plus an excess or umbrella policy extending coverage as broad as primary coverage in an amount no less than five million dollars (\$5,000,000). The insurance coverage shall be not only for the SCHOOL and the GOVERNING AUTHORITY and its employees but also for the SPONSOR as an additional insured. The certificate of insurance is appended hereto as **Exhibit 4**. The GOVERNING AUTHORITY shall provide evidence of such coverage and the insurer shall notify the SPONSOR in writing at least thirty (30) days in advance of any material adverse change to, or cancellation of, such coverage. The GOVERNING AUTHORITY shall also maintain directors' and officers' insurance coverage in an amount not less than one million dollars (\$1,000,000) per occurrence.

32. The GOVERNING AUTHORITY and the SCHOOL shall defend, indemnify and hold harmless the SPONSOR and its Board, employees, officers, and agents from any and all claims, demands, actions, suits, causes of action, obligations, losses, costs, expenses, attorney fees, damages, judgments, orders and liabilities of whatever kind of nature in law, equity or otherwise, arising from any of the following:
 - a. A failure of the GOVERNING AUTHORITY and/or the SCHOOL or any of its officers, trustees, directors, employees, successors, agents or contractors to perform any duty, responsibility or obligation imposed by law or by this Contract; and
 - b. An action or omission by the GOVERNING AUTHORITY and/or the SCHOOL or any of its officers, trustees, directors, employees, successors, agents or contractors that result in injury, death, or loss to person or property, breach of contract, or violation of statutory law or common law (state and federal).
 33. If the SPONSOR provides a leave of absence to a person who is thereafter employed by the SCHOOL, the GOVERNING AUTHORITY and SCHOOL shall defend, indemnify, and hold harmless the SPONSOR and its Board members, Superintendent, employees and agents from liability arising out of any action or omission of that person while that person is on such leave or employed by the GOVERNING AUTHORITY. Nothing in this subsection, however, obligates this SPONSOR to provide such a leave of absence.
 34. The GOVERNING AUTHORITY and administration shall cooperate fully with the SPONSOR in all activities as required by regulations of the Ohio Department of Education for oversight of the SCHOOL. This includes, but is not limited to file updates, site reviews, monthly financial reviews, and other required monitoring.
 35. **BCII/FBI Checks.** The SCHOOL shall maintain valid Bureau of Criminal Identification and Investigation (BCII) and FBI (as required by law) record checks of all staff and valid teaching certification/licensure of staff as required by law. The GOVERNING AUTHORITY shall either (a) obtain consent of the person being checked to release the results to the SPONSOR, or (b) file an annual affidavit with the SPONSOR that the SCHOOL has reviewed each background check and that they comply with the applicable laws for public community schools.
- B. Agreements with Third Parties.** The Parties agree that certain agreements represent significant and material transactions that must be provided to the SPONSOR in substantial form at least five (5) business days prior to adoption by the GOVERNING AUTHORITY. These agreements include:
1. The purchase, sale, lease, or other disposition of any real property; and

2. All agreements in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00).

C. Operator.

1. The SCHOOL is currently not operated by an operator or management company. The SCHOOL understands that if it desires to hire an operator or management company, SPONSOR approval is required and this Contract would have to be modified.
2. In the event the GOVERNING AUTHORITY contracts with an operator in the future, the GOVERNING AUTHORITY shall report annually in writing to the SPONSOR, all financial data, structure and operations of the management company as it pertains to the SCHOOL.
3. In the event the GOVERNING AUTHORITY contracts with an operator in the future, all money an operator loans to the SCHOOL, if any, including facilities loans or cash flow assistance, must be accounted for, documented, and bear interest at a fair market rate.

D. Other.

1. The GOVERNING AUTHORITY specifically recognizes and acknowledges the authority of public health and safety officials to inspect and order school facilities closed if not in compliance with health and safety laws and regulations in accordance with Ohio Revised Code Section 3314.03(A)(22)(a), and that the State Board of Education may assume sponsorship of the SCHOOL in accordance with R.C. 3314.015.
2. The SCHOOL's GOVERNING AUTHORITY is not presently seeking designation of the SCHOOL as a STEM school equivalent under section 3326.032 of the Revised Code. However, nothing shall preclude the GOVERNING AUTHORITY from doing so in the future as permitted by law.
3. The SCHOOL shall hire its own attorney, independent from the SPONSOR.
4. If the SCHOOL's Board of Directors contracts with an attorney, accountant, or entity specializing in audits, the attorney, accountant, or entity shall be independent from the operator with which the SCHOOL has contracted, if any.

- E. Ending the Community School.** In the event that this Contract is terminated or not renewed, the operation of the SCHOOL will cease as a community school and the following requirements and procedures apply regarding the GOVERNING AUTHORITY and the SCHOOL (unless operations continue as a public school of an existing school district), **unless and until the SCHOOL enters an agreement under R.C. 3314.03 with another sponsor:**

1. Regarding employees, if there is a collective bargaining agreement that applies, the layoff or other provisions of the collective bargaining agreement shall be followed. In the absence of a collective bargaining agreement, the SCHOOL may elect to treat employees as laid-off or their positions abolished. Expiring employee contracts may be non-renewed.
 2. Upon termination of this Contract, by law or by these Contract provisions, or upon dissolution of the Ohio non-profit corporation which operates the SCHOOL, all equipment, supplies, real property, books, furniture, or other assets of the SCHOOL shall be distributed in accordance with R.C. Chapter 1702 and sections 3314.015 (E) and 3314.074.
 3. The SCHOOL and SPONSOR agree to comply with the suspension and closing procedures identified by the Ohio Department of Education, as specified in **Exhibit 5** ("Closing Procedures") and as may be amended by the Ohio Department of Education from time to time. The SPONSOR acknowledges its obligation to oversee the closure process.
 4. The SCHOOL understands that it is primarily responsible to carry out the Closing Procedures. The SCHOOL agrees to keep, at a minimum, its GOVERNING AUTHORITY and licensed fiscal officer in place throughout any closing process. The SCHOOL agrees to keep its head administrator and EMIS coordinator through the end of the then current school year unless otherwise agreed to by the SCHOOL and SPONSOR. The SCHOOL agrees to submit to the SPONSOR a good faith deposit of Fifty Thousand Dollars (\$50,000) within five (5) days of the completion of any administrative appeal procedures, vote by the Board of Directors to cease operations, or any other event which the SPONSOR reasonably determines may cause the SCHOOL to close. Said deposit shall cover closure expenses of the SPONSOR that the SCHOOL is unable or unwilling to complete, and any unused funds shall be returned to the SCHOOL.
- F. **Organizational Structure.** The Organizational Structure and management/administration, employee, and GOVERNING AUTHORITY relationships must be accurately reflected in an Organization Chart appended as **Exhibit 1(B)**. Any modifications to the Organizational Structure positions and/or modifications (adding, removing, or altering any positions) must be submitted in writing to the SPONSOR.
- G. **Comprehensive Plan.** The SCHOOL shall submit to the SPONSOR a comprehensive plan for the SCHOOL, which is attached as **Exhibit 1**. The Comprehensive Plan shall include (i) the process by which the Board of Directors is selected in the future; (ii) the management and administration of the SCHOOL; (iii) alternative arrangements for currently enrolled district students and teachers who do not wish to remain at the SCHOOL after a conversion to community school, if applicable; (iv) the instructional program and educational philosophy of the SCHOOL; and (v) the SCHOOL's internal financial controls. The SCHOOL shall include any relevant policies or procedures adopted by the Board of Directors.

ARTICLE IV INTERVENTION

- A. The SPONSOR reserves all rights to intervene in the SCHOOL's operations as granted by law, rule and regulation. Such interventions may be professional development, required training, corrective action plans, performance improvement plans, probation, intent to suspend, suspension, or termination as granted by or allowed by, or in accordance with Chapter 3314 of the Ohio Revised Code, or any other reasonable intervention.

- B. The SPONSOR may terminate this Contract pursuant to R.C. 3314.07 for any of the following reasons:
 - 1. Failure to meet student performance requirements stated in this Contract;
 - 2. Failure to meet generally accepted standards of fiscal management;
 - 3. Violation of any provision of this Contract or applicable state or federal law; and
 - 4. Other good cause.

- C. If the SCHOOL is not renewed or terminated for failure to meet student performance requirements stated in this Contract, or, for failure to meet generally accepted standards of fiscal management, the SCHOOL must close permanently at the end of the then-current school year or on a date specified in the notification, and the SCHOOL shall not enter into a contract with another sponsor.

ARTICLE V SPONSOR OVERSIGHT AND GUIDANCE

- A. The SPONSOR shall provide oversight and guidance to the GOVERNING AUTHORITY including but not limited to the following:
 - 1. The SPONSOR shall monitor the SCHOOL's compliance with all laws applicable to the SCHOOL and with the terms of this Contract.
 - 2. The SPONSOR shall monitor and evaluate the academic and fiscal performance and the organization and operations of the SCHOOL on at least an annual basis. The SPONSOR's analysis shall be based on the Sponsor's assessment of this Contract, the Comprehensive Plan in **Exhibit 1** and the Performance and Accountability Standards in **Exhibit 6**, and any other criteria established by the Department of Education.
 - 3. The SPONSOR shall report on an annual basis the results of the evaluation conducted under the paragraph of this Contract immediately above to the Department and to the parents of students enrolled in SCHOOL.

4. The SPONSOR shall provide technical assistance to the SCHOOL in complying with applicable laws and this Contract, and may conduct or provide specially designed technical assistance based on observations, interviews, or assessments of the SCHOOL.
5. The SPONSOR shall take steps to intervene in the SCHOOL's operation to correct problems in the SCHOOL's overall performance, declare the SCHOOL to be on probationary status pursuant to section 3314.073 of the Ohio Revised Code, suspend the operation of the SCHOOL pursuant to section 3314.072 of the Ohio Revised Code, or terminate this Contract pursuant to section 3314.07 of the Ohio Revised Code, as determined necessary by the SPONSOR. The steps taken by the SPONSOR shall be for the reasons, and in accordance with the procedures, timelines, and other requirements set forth-in the applicable sections(s) of the Ohio Revised Code, and the SCHOOL shall, in response, take such actions and have such rights as are specified in those sections of the Ohio Revised Code.
6. The SPONSOR shall have in place a plan of action to be undertaken in the event the SCHOOL experiences financial difficulties or closes prior to the end of a school year.
7. Notifying the SCHOOL in a timely manner about third party complaints involving the SCHOOL.
8. Offer other activities as determined by the SPONSOR, specifically designed to benefit the SCHOOL.

B. Sponsorship Fee.

The SPONSOR may charge an oversight and monitoring fee of 3% of the operating expenses received by the SCHOOL from the State of Ohio, excluding federal funds and restricted grants, lottery funds, or facilities funds.

ARTICLE VI
ACCOUNTABILITY PLAN / PERFORMANCE MEASURES

The success of the SCHOOL shall be evaluated in relation to academic, financial, and organizational/operational performance measures specified in the accountability plan found in **Exhibit 6**, which includes the academic goals to be achieved, the method of measurement that will be used to determine progress toward those goals, which shall include statewide achievement assessments and academic performance standards, including but not limited to all applicable report card measures set forth in R.C. 3302.03 or R.C 3314.017.

ARTICLE VII
RENEWAL OF CONTRACT

Provided this Contract has not been terminated or non-renewed by the SPONSOR, the SCHOOL may apply for renewal by September 30th of the year preceding the expiration of this Contract or any renewal thereof.

1. The SCHOOL shall complete and submit a timely renewal application.
2. The SPONSOR shall conduct a High-Stakes Review of the SCHOOL. For purposes of this Contract, the High-Stakes Review is defined as a rigorous evaluation of the SCHOOL's academic, financial, operational, and governance performance over the entire Contract Term in accordance with the performance assessment framework set forth in **Exhibit 6**.
3. The SPONSOR shall provide a cumulative report summarizing the results of the High-Stakes Review.
4. By November 30 of the year preceding the expiration of this Contract or any renewal thereof, the SPONSOR shall provide written notice of its intent to renew this Contract or any renewal thereof and the proposed term of said renewal.
5. When considering renewal of this Contract or any renewal thereof, the SPONSOR shall review the application and High Stakes Review and shall analyze the following: the SCHOOL's compliance with applicable laws and terms of this Contract, whether the SCHOOL's progress in meeting the performance standards prescribed in **Exhibit 6** has been satisfactory, the SCHOOL's organizational viability, the SCHOOL's fiscal viability, and anything else deemed appropriate by the SPONSOR.
6. If the SPONSOR non-renews this Contract, it shall provide written notice which shall include (1) reasons for the proposed action in detail, (2) the effective date of the non-renewal, and (3) a statement that the SCHOOL may, within fourteen (14) calendar days of receipt of the notice, request in writing an informal hearing before the SPONSOR. The informal hearing, if requested, shall be held within fourteen

(14) calendar days after the request for an informal hearing is received. Not later than fourteen (14) calendar days after the informal hearing, the SPONSOR shall issue a written decision either affirming or rescinding the decision to non-renew this Contract.

7. The PARTIES acknowledge and agree that this Contract shall expire at the end of its Term unless the SCHOOL initiates Renewal pursuant to this section.

ARTICLE VIII ADDITIONAL TERMS

A. Quality Practices.

1. The SPONSOR shall be allowed to observe the SCHOOL in operation at site visits and shall have access for such visits
 - a. The SPONSOR shall make reasonable efforts to provide prior notice of such visits and shall not disrupt testing or the educational process or programming, or day-to-day operations of the SCHOOL.
 - b. The PARTIES acknowledge that the site visits require input from the SCHOOL's stakeholders and agree to make Board members, administrators, teachers, students, parents (to the extent possible) and/or staff of the operator, if any, available at mutually agreeable times.
 - c. Following each site visit, the SPONSOR shall provide a written report. The SCHOOL shall provide updates for the SPONSOR's review pertaining to any area needing improvement.
2. The SCHOOL agrees to meet with the SPONSOR at least annually to review terms and requirements of this Contract to ensure the Contract is consistent with changes in state and/or federal law.
3. The SCHOOL agrees to meet with the SPONSOR at least annually to discuss performance on the academic performance measures. The meeting will be used to determine whether the performance measures need to be modified.

- B. Dispute Resolution.** Other than a dispute relating to Article IV, Intervention, and Article VII, Renewal of Contract, and all other disputes regarding either any term of this Contract, the PARTIES shall use the following dispute resolution procedure: the PARTIES shall make initial attempts to resolve any dispute between the Superintendent, a designated Board member of the SPONSOR and the Chief Administrative Officer and/or President of the GOVERNING AUTHORITY. If those parties cannot resolve the dispute, the matter may be submitted to a qualified mediator for mediation by the PARTIES' agreement. The parties shall equally split all fees or costs of any third-party mediator. If the PARTIES do

not agree to proceed to mediation or mediation does not resolve the dispute, each PARTY shall be left to whatever remedies may exist under law.

- C. **Headings and Attachments.** Headings are for the convenience of the PARTIES only. Headings have no substantive meaning. All Exhibits to this Contract are attached hereto and incorporated by reference into this Contract.
- D. **Assignments, Modifications and Signatures.** Except as otherwise provided herein, this Contract, its rights, duties, and obligations shall not be assigned or delegated without the prior written approval of both parties. No modifications to this Contract shall be valid and binding unless signed by both the SPONSOR and the GOVERNING AUTHORITY and attached to this Contract. Electronic signatures are accepted as originals, and multiple signature pages shall be construed as one. This Contract creates no third-party beneficiaries.
- E. **Notice.** Any notice to one party by the other shall be satisfied upon receipt, and delivered by personal delivery or by certified mail; return receipt requested, to the following persons and address:

If to SPONSOR:
Superintendent and Treasurer
Margaretta Local School District
305 S. Washington St.
Castalia, Ohio 44824

With a copy to:
Brian J. DeSantis, Esq.
Pepple & Waggoner, Ltd.
5005 Rockside Road, Suite 260
Cleveland, Ohio 44131-6808

If to GOVERNING AUTHORITY or SCHOOL to:
Superintendent, Treasurer and Governing Authority President
Townsend Community School
207 Lowell Street
Castalia, OH 44824

With a copy to:
Adam Schira
Dickinson Wright, PLLC
180 E. Broad St., 34th Floor
Columbus, OH 43215

Notices of change of person or address must be given pursuant to this paragraph.

F. **Severability.** If any term, provision, or clause of this Contract is unlawful or unenforceable, the PARTIES agree that the remaining provisions and terms of the Contract shall continue to be in full force and effect and the unlawful or unenforceable term, provision, or clause shall be removed and replaced in a manner that most nearly conforms to the removed portion and original intent of the PARTIES, in a written modification.

Executed this 27th day of March, 2023 in Erie County, Ohio.

GOVERNING AUTHORITY:

By: Jean A. Smith
Its: Governing Authority President

SPONSOR:

Margaretta Local School District

By: Edwin P. Kurt
Its: Superintendent

And

By: Brian Sutorius

Its: Brian Sutorius, Board President

EXHIBIT 1(A) GOVERNANCE

Entity#: 2042552
Filing Type: CORPORATION FOR NON-PROFIT
Original Filing Date: 08/19/2011
Location: CASTALIA-
Business Name: TOWNSEND COMMUNITY SCHOOL

Status: Active
Exp. Date: 05/19/2027

Agent/Registrant Information

ADAM J. SCHIRA
 180 E. BROAD ST., STE. 3400
 COLUMBUS OH 43215
 05/19/2022
 Active

Filings

Filing Type	Date of Filing	Download Image to PDF
DOMESTIC ARTICLES/NON-PROFIT	08/19/2011	Download Image
DOMESTIC/AMENDMENT TO ARTICLES	07/09/2012	Download Image
LETTER/RENEWAL NOTICE MAILED	03/08/2017	Download Image
DOMESTIC AGENT SUBSEQUENT APPOINTMENT	04/10/2017	Download Image
LETTER/RENEWAL NOTICE MAILED	12/09/2021	Download Image
CANCELED/FAILURE TO FILE/STATEMENT CONT. EXISTENCE	04/18/2022	Download Image
DOMESTIC/REINSTATEMENT	05/13/2022	Download Image
DOMESTIC AGENT SUBSEQUENT APPOINTMENT	05/19/2022	Download Image

Prior Business Names

Sun Mar 05 2023

Prior Business Name

Effective Date

TOWNSEND NORTH COMMUNITY SCHOOL

07/09/2012

UNITED STATES OF AMERICA
STATE OF OHIO
OFFICE OF SECRETARY OF STATE

I, Frank LaRose, Secretary of State of the State of Ohio, do hereby certify that this is a list of all records approved on this business entity and in the custody of the Secretary of State.



Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 5th of March, A.D. 2023

Ohio Secretary of State

Frank LaRose



DATE: 07/11/2012	DOCUMENT ID 201219200871	DESCRIPTION AMENDMENT TO ARTICLES (AMD)	FILING 50.00	EXPED .00	PENALTY	CERT .00	COPY .00
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Receipt

This is not a bill. Please do not remit payment.

BORMAN
100 E BROAD ST STE 2100
COLUMBUS, OH 43215

**STATE OF OHIO
CERTIFICATE**

Ohio Secretary of State, Jon Husted

2042552

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

TOWNSEND COMMUNITY SCHOOL

and, that said business records show the filing and recording of:

Document(s)
AMENDMENT TO ARTICLES

Document No(s):
201219200871



United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of
the Secretary of State at Columbus,
Ohio this 9th day of July, A.D.
2012.

Ohio Secretary of State



Prescribed by:

The Ohio Secretary of State
 Central Ohio: (614) 466-3910
 Toll Free: 1-877-SOS-FILE (1-877-767-3453)

www.sos.state.oh.us
 e-mail: busserv@sos.state.oh.us

Expedite this Form: (Select One)	
<input type="radio"/> Yes	PO Box 1390 Columbus, OH 43216 *** Requires an additional fee of \$100 ***
<input checked="" type="radio"/> No	PO Box 1329 Columbus, OH 43216

**Certificate of Amendment by
 Shareholders or Members
 (Domestic)
 Filing Fee \$50.00**

(CHECK ONLY ONE (1) BOX)			
(1) Domestic for Profit <input type="checkbox"/> Amended (122-AMAP)	PLEASE READ INSTRUCTIONS: <input type="checkbox"/> Amendment (125-AMDS)	(2) Domestic Nonprofit <input type="checkbox"/> Amended (126-AMAN)	<input checked="" type="checkbox"/> Amendment (128-AMD)

Complete the general information in this section for the box checked above.

Name of Corporation: Townsend North Community School

Charter Number: 2042652

Name of Officer: Jean Smith

Title: President

Please check if additional provisions attached.

The above named Ohio corporation, does hereby certify that:

A meeting of the shareholders directors (*nonprofit only*)

members was duly called and held on March 8 2012
(Date)

at which meeting a quorum was present in person or by proxy, based upon the quorum present, an affirmative vote was cast which entitled them to exercise 100 % as the voting power of the corporation.

In a writing signed by all of the shareholders directors (*nonprofit amended articles only*)

members who would be entitled to the notice of a meeting or such other proportion not less than a majority as the articles of regulations or bylaws permit.

CLIENT SERVICE CENTER
 2012 JUL -9 PM 1:24
 SECRETARY OF STATE

Clauses apply if amended box is checked.

Resolved, that the following amended articles of incorporations be and the same are hereby adopted to supercede and take the place of the existing articles of incorporation and all amendments thereto.

All of the following information must be completed if an amended box is checked.
If an amendment box is checked, complete the areas that apply.

FIRST: The name of the corporation is: Townsend Community School

SECOND: The place in the State of Ohio where its principal office is located is in the City of:
Castalia Ernie
(city, village or township) (county)

THIRD: The purposes of the corporation are as follows:

FOURTH: The number of shares which the corporation is authorized to have outstanding is: _____
(Does not apply to box (2))

REQUIRED
Must be authenticated
(signed) by an authorized
representative
(See Instructions)

Jean D. Smith
Authorized Representative

2/08/2012
Date

Jean Smith
(Print Name)
President

Authorized Representative

Date

(Print Name)



DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
08/23/2011	201123400685	DOMESTIC ARTICLES/NON-PROFIT (ARN)	125.00	.00		.00	.00

Receipt

This is not a bill. Please do not remit payment.

MARGARETTA LOCAL SCHOOL DISTRICT
305 S WASHINGTON ST
CASTALIA, OH 44824

**STATE OF OHIO
CERTIFICATE**

Ohio Secretary of State, Jon Husted

2042552

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

TOWNSEND NORTH COMMUNITY SCHOOL

and, that said business records show the filing and recording of:

Document(s)

DOMESTIC ARTICLES/NON-PROFIT

Document No(s):

201123400685



United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of
the Secretary of State at Columbus,
Ohio this 19th day of August, A.D.
2011.

Ohio Secretary of State



Prescribed by:
 The Ohio Secretary of State
 Central Ohio: (614) 466-3910
 Toll Free: 1-877-SOS-FILE (1-877-767-3453)

www.sos.state.oh.us
 e-mail: busserv@sos.state.oh.us

Expedite this Form: (Select One)	
<input type="radio"/> Yes	PO Box 1390 Columbus, OH 43216 <small>** Requires an additional fee of \$100 **</small>
<input checked="" type="radio"/> No	PO Box 670 Columbus, OH 43216

INITIAL ARTICLES OF INCORPORATION
 (For Domestic Profit or Nonprofit)
 Filing Fee \$125.00

2011 AUG 19 5:41:33

THE UNDERSIGNED HEREBY STATES THE FOLLOWING:

(CHECK ONLY ONE (1) BOX)

<input type="checkbox"/> (1) Articles of Incorporation Profit <small>(113-ARF) ORC 1701</small>	<input checked="" type="checkbox"/> (2) Articles of Incorporation Non-Profit <small>(114-ARN) ORC 1702</small>	<input type="checkbox"/> (3) Articles of Incorporation Professional <small>(170-ARP) Profession ORC 1705</small>
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Complete the general information in this section for the box checked above.

FIRST: Name of Corporation Townsend North Community School

SECOND: Location Castalia Erie
(City) (County)

Effective Date (Optional) _____ Date specified can be no more than 90 days after date of filing. If a date is specified, the date must be a date on or after the date of filing.
(mm/dd/yyyy)

Check here if additional provisions are attached

Complete the information in this section if box (2) or (3) is checked. Completing this section is optional if box (1) is checked.

THIRD: Purpose for which corporation is formed

See Attachment A.

Complete the information in this section if box (1) or (3) is checked.

FOURTH: The number of shares which the corporation is authorized to have outstanding (Please state if shares are common or preferred and their par value if any)

_____	_____	_____
<small>(No. of Shares)</small>	<small>(Type)</small>	<small>(Par Value)</small>

(Refer to instructions if needed)

Completing the information in this section is optional

FIFTH: The following are the names and addresses of the individuals who are to serve as Initial Directors.

 (Name)

 (Street) NOTE: P.O. Box Addresses are NOT acceptable.

 (City) (State) (Zip Code)

 (Name)

 (Street) NOTE: P.O. Box Addresses are NOT acceptable.

 (City) (State) (Zip Code)

 (Name)

 (Street) NOTE: P.O. Box Addresses are NOT acceptable.

 (City) (State) (Zip Code)

REQUIRED
 Must be authenticated
 (signed) by an authorized
 representative
 (See instructions)

Edward P. Kurt
 Authorized Representative

7-29-11
 Date

Edward Kurt
 (Print Name)
 305 South Washington Street
 Castalia, Ohio 44824

Jude T. Hammond
 Authorized Representative

8/1/2011
 Date

Jude Hammond
 (Print Name)
 305 South Washington Street
 Castalia, Ohio 44824

 Authorized Representative

 Date

 (Print Name)

Complete the information in this section if box (1) (2) or (3) is checked.

ORIGINAL APPOINTMENT OF STATUTORY AGENT

The undersigned, being at least a majority of the incorporators of Townsend North Community School hereby appoint the following to be statutory agent upon whom any process, notice or demand required or permitted by statute to be served upon the corporation may be served. The complete address of the agent is

Edward Kurt
(Name)
305 South Washington Street
(Street) NOTE: P.O. Box Addresses are NOT acceptable.

Castalia, Ohio 44824
(City) (Zip Code)

Must be authenticated by an authorized representative

<u>Alan Warner</u> Authorized Representative	<u>8-5-11</u> Date	
<u>Janet Smith</u> Authorized Representative	<u>8-5-11</u> Date	
 Authorized Representative	 Date	

ACCEPTANCE OF APPOINTMENT

The Undersigned, Edward Kurt, named herein as the
Statutory agent for, Townsend North Community School,
hereby acknowledges and accepts the appointment of statutory agent for said entity.

Signature: Edward P. Kurt
(Statutory Agent)

Purpose for Which Corporation is Formed

Townsend North Community School ("the Corporation") is incorporated under the Ohio Nonprofit Corporation Law (Chapter 1702 of the Ohio Revised Code) as a public benefit corporation and is organized and shall at all times be operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, as amended, including, without limiting the generality of the foregoing, the operation of a public conversion community school pursuant to Chapter 3314 of the Ohio Revised Code which has been created by converting all or a portion of the Margareta Local School District. The Corporation shall provide an alternative educational program to, and meet the educational needs of, students in grades nine (9) through twelve (12) who reside within any public school district in the State of Ohio and who are between sixteen (16) and twenty-one (21) years of age who have dropped out of high school or who are at risk of dropping out of high school due to poor attendance, disciplinary problems, and/or poor academic performance.

The Corporation shall possess all powers and authority permitted by law, except: (a) no part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, directors, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments in furtherance of the purposes set forth above; (b) no substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office; and (c) notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on by (1) a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (2) a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

**AMENDED AND RESTATED CODE OF REGULATIONS
OF
TOWNSEND COMMUNITY SCHOOL**

**ARTICLE I
PURPOSE**

Section 1. Purpose. Townsend Community School (the "Corporation") is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue law to operate as a community school in the State of Ohio.

**ARTICLE II
Members**

Section 1. Membership. The Corporation shall not have Members. The Directors of the Corporation, in conformance with the procedures established for the Board of Directors and to the extent required by law, shall have the authority that is granted to and carry out the duties that are imposed upon the Members of a nonprofit corporation under Ohio law.

**ARTICLE III
Directors**

Section 1. Number. The number of Directors of the Corporation shall be at least three (3) and no more than eleven (11), or such greater number as may be subsequently determined by the Directors; provided however, in no case shall the number of Directors be less than five (5) once the Corporation has entered into a community school contract with a sponsor unless Ohio law is amended to allow the governing authority of an Ohio community school to be composed of less than five (5) Directors.

Section 2. Term. Each Director will serve a three-year term, which expires in July of the third year following the year of their election, and which may be renewed as many times as such Director is elected. The initial term of a Director may be staggered from one to three years in order to ensure overlap and continuity. Each Director shall hold office until that Director's term expires, or until his or her successor is elected, or until his or her earlier resignation, removal from office, or death.

Section 3. Qualifications and Role of Directors. Once the Corporation becomes a public school, the Directors, in their capacity as Directors, shall be the Governing Authority of a public Ohio community school. The Directors shall have a strong interest in the welfare of the Corporation and in education. Each Director should be willing and able to attend all meetings, both regular and special, and also be willing to accept special assignments and serve on committees.

Section 4. Election of Directors. At the annual meeting of Directors that is held on or before the date that such term expires, the Board of Directors shall elect a successor to any Director whose term is set to expire. The remaining Directors shall fill any vacancy in the Board

of Directors created by the resignation, removal or death of a Director at a regular or special meeting of the Board of Directors. The remaining Directors shall have the authority to fill any such vacancy despite the fact that the remaining Directors do not constitute a quorum of the latest number of Directors before resignation(s). Candidates for Director may be nominated by any Director.

Section 5. Meetings. The annual meeting of the Directors shall be held in July of each year on such date, at such time, and at such place as a majority of the Directors may determine. In the event the Board of Directors is unable to hold its annual meeting in June, it shall hold such annual meeting on a date and at a time and place determined by a majority of the Directors. Special meetings may be called at any time by the President or by any one (1) of the Directors. Provided however, once the Corporation becomes a public school, meetings relating in any way to the business or operation of the public school must be open to the public and posted, publicized or advertised as required by law and the policies of the Directors.

Section 6. Quorum and Voting. The presence of a simple majority of the total number of Directors shall constitute a quorum for the transaction of business at all meetings of the Board of Directors. Except as otherwise provided by law, the Corporation's Articles of Incorporation, or this Code of Regulations, a vote of a simple majority of the Directors present at a meeting at which a quorum is present shall be required to effectuate action on all matters within the powers of the Board of Directors. In addition to those Directors who are actually present at a meeting, Directors shall for purposes of this section be deemed present and able to vote at such meeting if a conference telephone or similar communications equipment is used by which all persons participating in the meeting can simultaneously communicate with each other. Provided however, once the Corporation becomes a public school, the Directors must be physically present at a meeting in order to be counted as part of a quorum and to vote.

Section 7. Notice and Waiver. Any notice required to be given by this Code shall be in writing and shall be delivered personally or sent by telegram, telecopy, or electronic mail transmission or by United States mail, express mail, or courier service, with postage or fees prepaid. For any notice made by personal delivery, telegram, telecopy or electronic mail, notice shall be deemed to be given when delivered or transmitted. For any notice sent by United States mail, or courier service, notice shall be deemed to be given when deposited in the mail or with the courier service. Unless waived in writing, notice of each annual meeting communicating the day, hour, and place shall be given to each Director by the Secretary of the Corporation not more than sixty (60) days nor less than three (3) days before any such meeting. Unless waived in writing, notice of each special meeting communicating the day, hour and place, and the purpose or purposes thereof shall be given to each Director by the Secretary of the Corporation not more than sixty (60) days nor less than three (3) days before any such meeting. Notice of the time, place and purposes of any meeting may be waived in writing, either before or after the holding of such meeting, by any Director, which writing shall be filed with or entered upon the records of the meeting. The attendance of any Director at a meeting without protesting, prior to or at the commencement of the meeting, shall waive notice or lack of proper notice for that meeting. Nothing in this Section 7 shall alter, however, the duty of the Corporation to provide notice to the public of meetings, once the Corporation becomes a public school.

Section 8. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if a written consent to such action is signed by all of the Board of Directors or all of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board of Directors or committee. Such a written consent may be signed by facsimile signatures which shall be construed as originals, and/or on separate but identical documents which shall be construed as one original. Provided however, once the Corporation becomes a public school, all actions must be taken at open and public meetings and action by written consent shall not be allowed.

Section 9. Committees of Directors. The Board of Directors may create an Executive Committee and such other committee or committees as the Directors may determine, the members of which committee or committees shall consist of not less than one (1) Director unless Ohio law allows otherwise in the future. A simple majority of the members of any such committee shall constitute a quorum, and the act of a simple majority of the votes cast at a meeting at which a quorum is present shall be the act of the committee. In every instance, however, the final action on all committee business shall only be a recommendation to the Board of Directors with respect to such matter. Notwithstanding anything to the contrary in this Section 9 however, once the Corporation becomes a public school, no permanent committee, nor any group of Directors which consist of a majority of the Board of Directors, shall meet in a prearranged manner to discuss school business, without proper notice to the public of a committee meeting. Only the actions of the Board of Directors shall be valid and binding.

Section 10. Other Advisory Councils. The Board of Directors may, at its discretion, also consider recommendations of associations, supporting organizations or advisory councils which are not part of the Board of Directors, such as parents associations.

Section 11. Removal of Directors. Any Director may be removed, with or without cause, at any time by the majority vote of the Board of Directors.

Section 12. Resignations and Vacancies. Any Director may resign by tendering a written resignation to the Board of Directors. The resignation shall be effective on the date of its receipt by the Board of Directors, and the receipt of the resignation shall require no further action to be effective. Vacancies in the Board of Directors shall be filled in accordance with Section 4 of this Article II.

Section 13. Powers of Directors. The policies of the Corporation shall be directed by the Board of Directors in accordance with the law, and when a public school, also in accordance with the Corporation's Charter Contract. Subject to the provisions of Ohio law in general, the Ohio Nonprofit Corporation Law, the Articles of Incorporation and the Code of Regulations of the Corporation, the Board of Directors shall do and perform every act and thing whatsoever which it shall deem necessary, expedient or advisable to carry out the purposes of the Corporation.

Section 14. Honorary Directors. Any individual, whether an emeritus Director or not, who has provided extraordinary services to the Corporation over a period of time, may be honored

with the title Honorary Director, at the discretion of the Board, by a majority vote of the entire Board. Honorary Directors are not voting members of the Board and are permitted but not required to attend meetings. The Board of Directors may remove an Honorary Director at any time, with or without cause, by a majority vote of the entire Board.

ARTICLE IV OFFICERS

Section 1. Number, Title and Election. The officers of the Corporation shall consist of a President, Vice President, Secretary and Treasurer, and may include such other officers and assistant officers as the Board of Directors shall deem advisable, each of whom shall be elected by the Board at the annual meeting of the Board. With the exception of the office of President, an individual may simultaneously hold two offices. Officers shall hold office for a term of one year, or until their successors are elected and qualified, except in the event of their earlier death, resignation or removal.

Section 2. Vacancies. A vacancy in any office because of death, resignation or removal of an officer shall be filled by the Board of Directors for the unexpired term of such office.

Section 3. Resignation or Removal of Officers. An officer of the Corporation may resign at any time by tendering his or her resignation in writing to the Board of Directors and such resignation shall become effective immediately upon its delivery to the Board. An officer of the Corporation may be suspended or removed at any time, with or without cause, by the Board of Directors. The election or appointment of an officer for a term of office shall not be deemed to create employment or other contractual rights.

Section 4. President. The President shall preside at all meetings of the Board and shall coordinate the activities directed by the Board of Directors and shall oversee the administration of the Corporation in all its activities subject to the policies and goals established by the Board of Directors.

Section 5. Vice President. The Vice President shall perform the duties of the President when the President is absent, and all other duties as may be assigned by the Board of Directors or the President.

Section 6. Secretary. The Secretary shall be responsible for providing notice of meetings to the Board of Directors where notice is required, and to the public for the matters concerning the public school, and shall keep a record of the proceedings of the Board of Directors, and shall perform other duties as may be required by the Board of Directors or the President. However, in all of the above responsibilities, subject to approval by a majority of the Directors, the Secretary's responsibilities or parts thereof, may be contracted for by the Directors.

Section 7. Treasurer. The Treasurer shall act as the fiscal officer of the Corporation and shall have custody of the cash, securities, and other assets of the Corporation, and shall perform other duties as may be required by the Board of Directors or the President. The Treasurer shall receive contributions, bequests, revenues, and other assets to which the Corporation is entitled

and disburse funds as directed by the Board of Directors, maintaining records thereof. The Treasurer shall maintain appropriate books of account and supporting records and shall prepare and file all returns and related reports required by federal and state statutes and regulations and by the Board of Directors. However, in all of the above responsibilities, subject to approval by a majority of the Directors, the Treasurer's responsibilities or parts thereof, may be contracted for by the Directors. The Board may require a bond in any amount, at its discretion or as directed by law, and the cost of the bond or bonds shall be paid for by the Corporation.

ARTICLE V INDEMNIFICATION

Indemnification of Directors, Officers, Employees and Agents. Each person who at any time is or shall have been a Director, officer, employee or agent of the Corporation, or a Director member of the Governing Board of the school, and such person's heirs, executors and administrators, shall be indemnified by the Corporation, both during and after their association with the Corporation terminates, for those acts or omissions concerning the Corporation, in accordance with and to the full extent permitted by the Nonprofit Corporation Law (Ohio Revised Code Chapter 1702) as in effect at the time of the adoption of these Regulations or as amended from time to time thereafter. The foregoing right of indemnification shall not be deemed exclusive of other rights of indemnification to which any Director, officer, employee, agent or other person may be entitled, in any capacity, as a matter of law or under any regulation, agreement, vote of Directors, or otherwise. As authorized by the Board of Directors, the Corporation may purchase and maintain insurance against liability on behalf of any such person to the full extent permitted by law in effect at the time of the adoption of these Regulations or as amended from time to time thereafter.

ARTICLE VI CONTRACTS BETWEEN CORPORATION AND RELATED PERSONS

To the greatest extent allowed by Ohio law and, while operating as a public Ohio community school specifically subject to the limitations and restrictions imposed on public officers, any contract or other transaction between this Corporation and one or more of its Directors, or between this Corporation and any entity of which one or more of this Corporation's Directors are interested, whether such Director is a member of the Governing Board of the school or not, shall be valid for all purposes, notwithstanding the presence of such Director at the meeting at which the Board of Directors of the Corporation acts upon, or in reference to, such contract or transaction, and notwithstanding the participation of the Director in such action, if the fact of such interest shall be disclosed or known to the Board of Directors, and the Board of Directors nevertheless, authorize, approve or ratify such contract or transaction by a vote of a majority of the Directors present. Unless Ohio law otherwise prohibits or permits, the interested Director may be counted in determining whether a quorum is present, but may not be counted in voting upon the matter or in calculating the majority of such quorum necessary to carry such vote. This Article shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto.

ARTICLE VII
BOOK AND RECORDS

The Corporation shall keep correct and complete books, records and minutes of the Board of Directors' meetings, and during the time when the Corporation is functioning as a public school, such books and records shall be public records. The Secretary of the Corporation shall keep an accurate list of the names and addresses of the Board of Directors.

ARTICLE VIII
AMENDMENTS

The Code of Regulations shall be adopted and, from time to time, amended by a majority vote of at least two-thirds of the entire number of the Board of Directors.



Department of the Treasury
Internal Revenue Service
CINCINNATI OH 45999-0038

In reply refer to: 0243658763
Sep. 12, 2011 LTR 147C 0
45-2991945 000000 00
00002092
BODC: SB

TOWNSEND NORTH COMMUNITY SCHOOL
TOWNSEND COMMUNITY SCHOOL
% EDWARD P KURT
308 E WASHINGTON ST
CASTALIA OH 44824-9268

123450

Employer Identification Number: 45-2991945

Dear Taxpayer:

Thank you for your Form SS-4 dated Aug. 26, 2011.

We received your Form SS-4, Application for Employer Identification Number. However, we didn't give you a new number because our records indicate that you already have Employer Identification Number 45-2991945.

If you need forms, schedules, or publications, you can obtain them by visiting the IRS web site at www.irs.gov or by calling toll free at 1-800-TAX-FORM (1-800-829-1676).

Please call our toll-free telephone number at 1-800-829-0115 with any questions you may have.

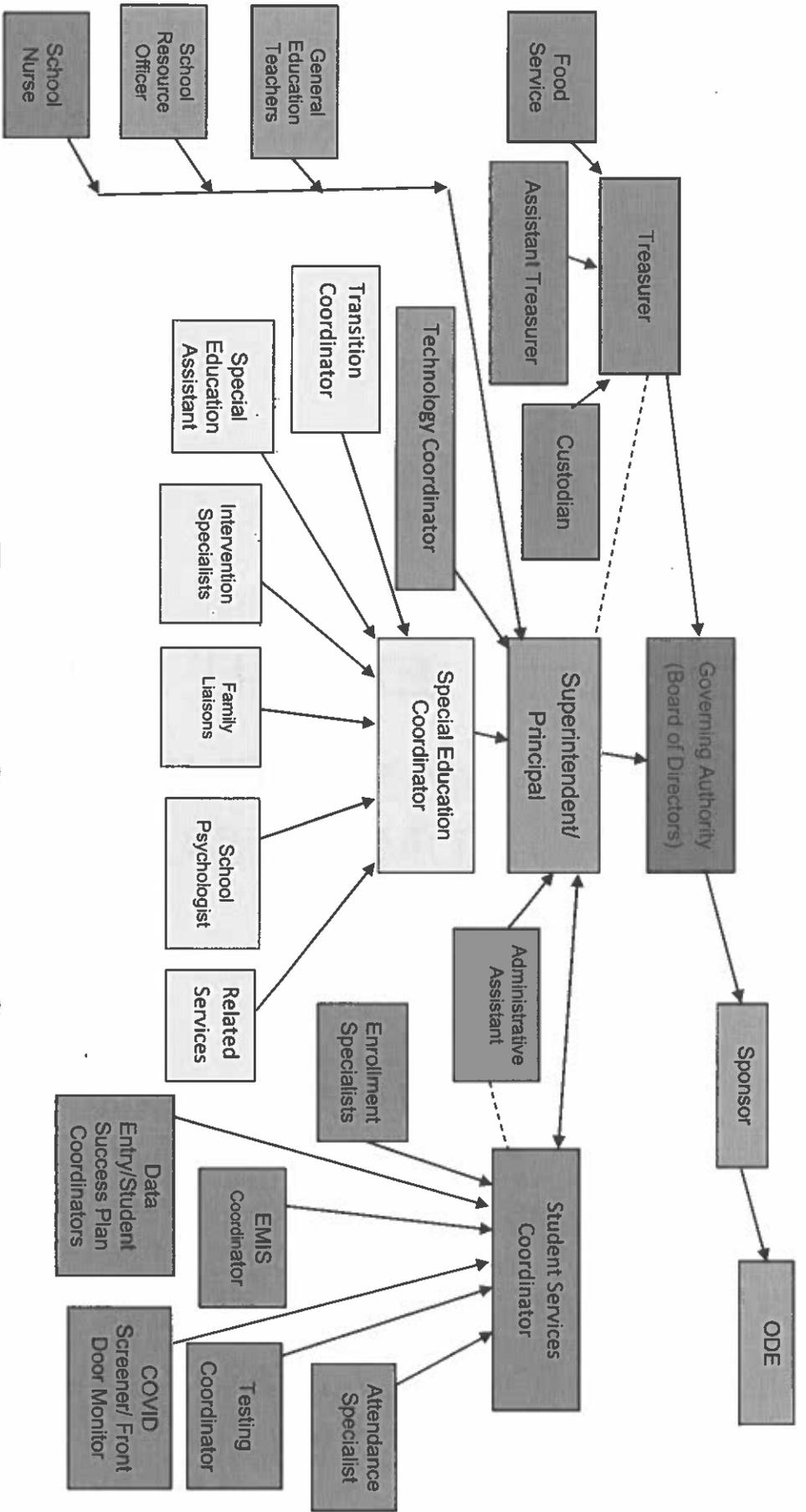
You also can write to us at the address shown at the top of this letter's first page.

When you write to us, please attach this letter and, in the spaces below, give us your telephone number with the hours we can reach you in case we need more information. You also may want to keep a copy of this letter for your records.

Telephone Number (---) ----- Hours _____

We apologize for any inconvenience we may have caused you, and thank you for your cooperation.

EXHIBIT 1(B)
**MANAGEMENT &
ADMINISTRATION**



**TOWNSEND COMMUNITY SCHOOL
ORGANIZATIONAL CHART**

11/11/21



Management Plan

Governing Authority Roles and Responsibilities

Townsend Community School's Board of Directors acts as the Governing Authority of the school. The Governing Authority is comprised of at least 5 five members, all of whom are selected pursuant to the School's Code of Regulations and consistent with R.C. Chapter 3314.

Management of the School

The School is managed by its five member Governing Authority, and by its Superintendent and Principal. The Governing Authority employs all School staff, and the School does not contract with a management company.

Day-to-day administration of the School is provided by the Superintendent and Principal, who are employees of the School.



SECTION 110

POWER AND ETHICS OF BOARD



111 Authority

The Board is authorized, constituted and governed by Chapter 3314 of the Revised Code of the State of Ohio (R.C. 3314) and by Chapter 1702 of the Revised Code of the State of Ohio (R.C. 1702). The Board is a private nonprofit corporation and serves a purpose to oversee an Ohio public community school. Its authority is derived from both corporate and public laws which are deemed applicable to its operations.



The Governing Authority may ensure the performance of any act or function that is in compliance with the Ohio Constitution, R.C. Chapter 3314 or Chapter 1702, other statutes applicable to Ohio Community Schools, and the Contract entered into with the School's Sponsor.



113 Board Members' Powers

Board members as individuals do not separately possess the powers that reside in the Board as the Governing Authority of the School.

If in the opinion of the majority of the Board, a Board member's request(s) for facts and information is administratively unreasonable, the administration may withhold said facts or materials until a ruling is made by the Board.



A. **General Ethical Behavior.** While serving on the Governing Authority, each Director agrees to:

1. Obey the law and follow and implement the School's policies;
2. Not disclose or use, without appropriate authorization, any information acquired in the course of the Director's duties that is privileged or confidential under the law;
3. Not speak or act for the Board unless granted proper authority;
4. Work with the Board to establish, review and revise effective policies;
5. Delegate authority for administration to School administrators/staff;
6. Make every effort to attend all Board meetings;
7. Become informed on issues before the Board and relating to Community Schools and school choice;
8. Debate matters before the Board, but once voted upon, accept and support the Board's decision; and
9. Act ethically and in conformance with the School's mission and goals.

B. **Public Officers Ethics and Conflicts Rules – Improper Influence or Use of Authority.**

Ohio law requires that all Board members and School officials, including teachers performing or possessing authority to perform administrative/supervisory functions, comply with these laws.

1. **Revised Code Section 102.03(D) & (E).** A Board member cannot use, or authorize the use of, the authority or influence of his/her office or employment, or solicit or accept anything of value of such character as to manifest a substantial and improper influence upon him/her with respect to his/her duties.
 - a. "Anything of value" includes money and every other thing of value.
 - b. A thing of value has an improper character when it is secured from a party interested in matters before, or doing or seeking business with, the community school, its Board or employees, or where it could impair a Board member's objectivity and independence of judgment regarding his/her official actions and decisions.
 - c. A Board member shall not participate in matters that will benefit parties with whom he or she has a close family, economic, or business relationship.
 - d. **Abstain.** A Board member may avoid a conflict under R.C. 102.03(D) and (E) by abstaining from voting and refraining from discussions or deliberations of the Board regarding the matter. The Board shall follow the procedures set forth in Part E of this policy when presented with a transaction to which R.C. 102.03(D) or (E) applies.



2. **Revised Code Section 2921.42(A)(1)**. A Board member cannot authorize or employ the influence of his/her office to secure authorization of any public contract in which he/she, a member of his/her family, or any of his/her business associates has an interest.
 - a. A prohibited interest must be direct and definite and may be either pecuniary or fiduciary in nature.
 - b. **Abstain**. A Board member may avoid a conflict under R.C. 2921.42(A)(1) by abstaining from voting and refraining from discussions or deliberations of the Board regarding the matter. The Board shall follow the procedures of Part D of this policy when considering a situation involving R.C. 2921.42(A)(1).
3. **Revised Code Section 2921.42(A)(3)**. A Board member shall not occupy any position of profit in the prosecution of a public contract which she or the community school board authorized, and which was not let by competitive bidding to the lowest and best bidder while the Board member holds a position on the Board or within one year thereafter.
 - a. A Board member occupies a position of profit in a public contract whenever he/she will receive a fee or compensation that is paid from or is dependent upon the contract, or the Board member will receive some other profit or benefit from the contract.
 - b. **Abstention** will not cure an R.C. 2921.42(A)(3) conflict.
4. **Revised Code Section 2921.42(A)(4)**. A Board member cannot have an interest in the profits or benefits of a public contract entered into by or for the use of the community school.
 - a. A Board member has a prohibited interest in the profits or benefits of a public contract if the Board member would financially benefit from the contract, or the Board member has an ownership or fiduciary interest in the entity that is entering into the contract, unless the exception in R.C. 2921.42(C) applies.
 - b. For the exception to apply pursuant to R.C. 2921.42(C), the subject of the contract must be necessary supplies or services for the community school, and the supplies or services must be unobtainable elsewhere for the same or lower cost, or be furnished to the community school as part of a continuing course of dealing established prior to the Board member becoming associated with the community school, and, treatment of the community school must either be preferential to or the same as that accorded to other customers in a similar transaction. Under the exception, the entire transaction conducted at "arms-length" with the Board's full knowledge of the Board member's interest.
 - c. Abstention will not cure an R.C. 2921.42(A)(4) conflict unless the exception in R.C. 2921.42(C) applies.
5. **Revised Code Section 2921.43(A)**. No public servant may knowingly solicit or accept improper compensation (a) other than as allowed by R.C. 102.03 (G), (H) and (I), to perform their acts, duties or services in their public servant capacity or as a supplement thereof, or, (b) for any additional or greater fees or costs than allowed by law in order to perform their official duties;



6. **Revised Code Section 2921.43(B)**. No public servant shall solicit or accept anything of value for their own personal or business use or for the business or personal use of another public servant or party official, in consideration for (a) appointing, securing, maintaining, or renewing the appointment of any person to public office, employment or agency, or, (b) preferring or maintaining a public employee's compensation, duties, placement, location, promotion or other material aspect of employment. A person is not prohibited from making voluntary contributions.
 7. **Revised Code 2921.43(C)**. No person shall coerce any contribution for the benefit of a political party, campaign committee, legislative campaign fund, political action committee or political contributing entity, in consideration for (a) appointing, securing, maintaining or renewing the appointment of any person to any public office, employment or agency, or (b) preferring or maintaining the status of any public employee's compensation, duties, placement, location, promotion or other material aspects of employment. Coercion need not actually cause or prohibit any action from actually occurring. A person is not prohibited from making voluntary contributions.
 8. **Revised Code Section 2921.44**. A fiscal officer shall be disqualified from serving as a public official for four years after being found guilty of dereliction of duty in Ohio and, also prohibited from holding a public office until all restitution or repayment required by a court has been satisfied. Dereliction of duty may include (a) recklessly creating a deficiency, incurring a liability, or expending a greater sum than is appropriated by the general assembly for the use in any one year for the entity to which the public official is connected; or, (b) recklessly failing to perform a duty expressly imposed or forbidden by law with respect to the public servant's office.
- C. Excess Benefit Transaction**. Internal Revenue Code Section 4958 provides for an excise tax that is imposed on a "disqualified person" who enters into an "excess benefit transaction" with the School. The tax may be imposed on members of management who approve the transaction. A transaction is an "excess benefit transaction" if the School pays more than fair market value for goods or services.
1. "Disqualified person" includes:
 - a. A person in a position to exercise substantial influence over the affairs of the School at any time during a five year period ending on the date of the transaction;
 - b. A member of the family of a person described in a, above;
 - c. A corporation or other entity in which persons described in a and b, above, have a 35% or greater voting or ownership interest; and
 - d. Any person having a relationship described in a, b, or c above with a company that has contracted to manage the School.
- D. IRC Procedure for Matters Involving Conflicts**. The Board shall follow the following procedures when it is called upon to consider any matter with respect to which an "interested person" has a "financial interest" as those terms are defined below. Please note: the fact that the Board of Directors has followed the procedures set forth below will not enable an



“interested person” to avoid the legal prohibitions of R.C. 2921.42(A)(3) and (4) discussed in Parts B.3 and B.4, above.

1. For purposes of these procedures the following words have the following definitions.
 - a. An “interested person” is any Board member, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below.
 - b. A person has a “financial interest” if the person, directly or indirectly, through business, investment, or family has:
 - i. An ownership or investment interest in any entity with which the School has a transaction or arrangement;
 - ii. A compensation arrangement with the School or with any entity or individual with which the School has a transaction or arrangement; or
 - iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the School is negotiating a transaction or arrangement.
 - c. “Compensation” includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
2. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board members and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
3. **Determining Whether a Conflict of Interest Exists.** A financial interest is not necessarily a conflict of interest. Under this procedure, a person who has a financial interest will have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists. Please note: the situations described in Part B present a conflict of interest. As such, the Board need not determine whether a conflict exists for any situation described in Part B. If the situation is not described in Part B, after disclosure of the financial interest and all material facts, and after any discussion with the interested person that is permitted under these policies, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.
4. Procedures for Addressing the Conflict of Interest.
 - a. Except as otherwise provided in these policies, an interested person may make a presentation at the governing board or committee meeting, but after the presentation permitted under these policies, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.



- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the School can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested Board members whether the transaction or arrangement is in the School's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

E. Other Procedures and Record Keeping Requirements.

1. **Violations of the Conflicts of Interest Policy.**
 - a. If the Board or committee has reasonable cause to believe a member has failed to disclose an actual or possible conflict of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
2. **Documentation.** The minutes of the Board and all committees with board- delegated powers shall contain:
 - a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.
 - b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.
3. **Annual Statements.** Each Board member, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:
 - a. Received a copy of the conflict of interest policy;
 - b. Read and understands the policy;



- c. Agreed to comply with the policy;
 - d. Understands the School is charitable and must engage primarily in activities which accomplish one or more of its tax-exempt purposes to maintain its federal tax exemption;
 - e. Acknowledges that a voting Board member who receives compensation, directly or indirectly, from the School for services is precluded from voting on matters pertaining to that member's compensation;
 - f. Acknowledges that a voting committee member whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the School for services is precluded from voting on matters pertaining to that member's compensation; and
 - g. Acknowledges that no voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the School, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
4. **Periodic Reviews.** To ensure the School operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:
- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
 - b. Whether partnerships, joint ventures, and arrangements with management companies conform to the School's written policies, are properly recorded, are a reasonable investment or a reasonable payment for goods and services, further its charitable purposes and do not result in inurement, impermissible private benefit, or an excess benefit transaction.
5. **Use of Outside Experts.** The School may use outside experts in conducting its reviews, but, such use does not relieve the Board's obligation to conduct periodic reviews.
6. **Immediate Relatives.** An "immediate relative" means the Board member's spouse, children, parents, grandparents, and siblings, as well as in-laws residing in the same household as the Board member.
- a. If the School is not sponsored by a school district or educational service center, no present or former Board member, or immediate relative of any present or former Board member, shall be an owner, employee, or consultant of the School's sponsor or operator, unless at least one year has elapsed since the person's Board membership ceased.
 - b. If the School is sponsored by a school district or educational service center, no present or former Board member, or immediate relative of any present or former Board member, shall (i) be an officer of the Sponsor's governing board, unless at least one



year has elapsed since the person's Board membership ceased, or (ii) serve as an employee of or consultant for the department, division, or section of the Sponsor organization that is directly responsible for sponsoring community schools, or have supervisory authority over such a department, division, or section, unless at least one year has elapsed since the person's Board membership ceased.

7. **Annual Disclosure Requirement.** Each Board member shall annually file a disclosure statement setting forth the names of any immediate relatives or business associates employed, within the previous three (3) years, by (a) the sponsor or operator of the School, (b) a school district or educational service center that has contracted with the School, or (c) a vendor that is or has engaged in business with the School.

Each Governing Authority Director (Board member) shall sign a copy of this Ethics and Conflicts Policy in order to demonstrate his/her commitment to these principles.

Signature and Title

Date

Note: All School officials and employees, including teachers who do perform or who have the authority to perform administrative and supervisory functions, are subject to all Ohio Ethics and Conflicts Laws and should sign the above acknowledgment as well.

Ohio Revised Code Chapter 102, Sections 2921.42, 2921.43, 2921.44 and 3314.02.



115 Complaints/Judicial Powers

The Governing Authority may assume jurisdiction over any dispute or controversy within or about the School and concerning any matter in which authority has been vested in the Governing Authority by these Policies, or applicable Ohio or federal law.

The Governing Authority authorizes and directs the Principal to establish a Complaint Procedure to be attached as Appendix 115-A and to implement a procedure where the administration handles complaints not otherwise established as the jurisdiction of the Governing Authority in these Policies.

See Appendix 115-A Complaint Procedure.

EXHIBIT 1(C)
EDUCATIONAL PLAN

EXHIBIT 1C- Educational Program- Townsend Community School

Overview

Townsend Community School utilizes a blended learning program to offer students greater control over their individualized educational plans. Students participating in this program are required to comply with all legal requirements for blended learning programs, including those pertaining to attendance and use of electronic curricular materials. The existence of this blended program does not preclude students from engaging in other recognized learning opportunities, which include but are not limited to credit flexibility or college credit plus.

Townsend's blended program will utilize a program aligning most closely with a "flex" model. The flex model lets students move on fluid schedules among learning activities according to their needs. Students will utilize online materials through the highly successful Virtual Learning Academy ("VLA") that will dictate the majority of their learning opportunities- serving as the "backbone" of their learning experience.

Teachers provide support and instruction on a flexible, as-needed basis while student in the main facility or through other means of communication as appropriate to help the student work through course curriculum and content. Students therefore have a significant amount of control over their scheduling and learning. However, they will be primarily educated in a supervised physical location.

Students will be surveyed upon enrolling, and regularly during the period of enrollment, to assess their access to the online curriculum. Resources will be provided where needed.

When in the facility, students will move between learning environments on an as needed basis with assistance of other students and on-site staff. The School's facility provides options for individual or group intervention, breakout rooms, and collaborative space in accordance with the flex model.

Staff interactions with students will be guided through instructional and non-instructional guidance and best practices. Such interactions will occur both onsite and offsite to ensure continued engagement.

Further, to promote greater group learning opportunities, the School will work to coordinate enrollment into specific subjects and preferred scheduling of on-site attendance to encourage greater collaboration with peers and opportunities for group lessons despite the individualized structure of the flex model.

1. Mission

To create an educational experience through positive relationships that empowers every person the opportunity to overcome personal challenges and pursue one's unique goals.

2. Goals

To exceed standards in overall graduation rate on the current state report card.

To meet standards in student growth on the current state report card.

3. Instructional Methods

Townsend will utilize the following best practice instructional methods (others may be added as determined appropriate by the School):

- a) Scaffolding
- b) Prompting
- c) Interleave (e.g. I Do, We Do, You Do)
- d) Repeated Practice
- e) Chunking
- f) Re-reading
- g) Text Lookback
- h) Highlighting
- i) Graphic Organizers
- j) Integrated technology (graphic calculator, instructional videos, digital textbooks, audio features in digital textbooks)
- k) Cooperative Learning
- l) Study Skills (skim reading, identifying main ideas/details, eliminating non-essential information, using a table of content, glossary/index in textbooks)
- m) Trauma Informed Approach to Student Interactions
- n) Universal Design for Learning (UDL)

4. Focus of Curriculum

Townsend's curriculum is focused on the student's instructional needs. This information is gleaned from student's transfer records; i.e., credits earned, prior testing scores, profiles, etc. Further, TCS staff records communications with students into the students' files regarding progress, access, and other relevant issues pertaining to their instructional needs. Additionally, the School will determine academic progress through the students' success in advancing through VLA's competency-based curriculum, which requires mastery of material before a student can move forward in a subject or on to other courses. Such conversations and the students' achievement in coursework will provide ample information regarding the students' individual instructional needs which is the focus of Townsends curriculum.

5. Description Learning Opportunities

Although staff interactions with students will include educational and non-educational guidance, teachers will daily provide in-person instruction and support on an as-needed basis as students' progress through the course curriculum at their own pace. Students will retain a high degree of control over the days and times in which they schedule in-person learning, within the confines of a minimum of 13 hours per week.

Under the supervision of on-site staff, students will move fluidly between classroom- and non-classroom-based learning environments as needed. Townsend's facility provides options for individual or group intervention, breakout rooms, and collaborative space, which are recognized learning opportunities within the flex model.

Best efforts will be made to facilitate group learning opportunities, including small group classroom settings, and individualized tutoring when possible. Townsend will work to coordinate enrollment into specific subjects and preferred scheduling of on-site attendance to encourage greater collaboration with peers and opportunities for group lessons despite the individualized structure of the flex model. *See Blended Learning Plan* for additional information.

Non-classroom Based Learning Opportunities:

In addition to the non-classroom based learning associated with the above-described blended learning program, which entails online learning in non-classroom settings, students will also be permitted to participate in work internships and/or work study, online learning, and/or credit flexible learning to the extent permitted by law. *See the School's Credit Flexibility Plan.*

6. Admission Procedures

See policies 241, 241.1, 241.2, 241.4, and 241.5.

7. Ages and Grades of Students

Townsend is open to students in grades 9-12. Townsend also offers a 22+ Diploma program, which is open to students age 22 and older.

8. Territory

Per an agreement between the School, the Sponsor, and the Department, enrollment of new students will be limited to students who reside in the school districts located in Sandusky County, Erie County, Ottawa County, Lorain County, Seneca County, and Huron County. Student who enrolled in the School prior to October 1, 2020, but who do not reside in the Enrollment Area may remain at Townsend as specified in the Agreement between the School, the Sponsor, and the Department.

9. "At-Risk" Definition

"At-Risk" students include those students who dropped out of high school; students who are at risk of dropping out of high school due to poor attendance, disciplinary problems, or suspensions; or students who at the time of their initial enrollment, either, or both, are at least one grade level behind their cohort age groups or experience crises that significantly interfere with their academic progress such that they are prevented from continuing their traditional programs.

10. Marketing/ Recruiting Efforts

Townsend will attempt to achieve racial and ethnic balance reflective of the community where it is located, and the counties it serves. To do this, Townsend will engage in marketing efforts to throughout the School's enrollment area, including in public spaces. Direct marketing efforts may also be used to target multiple, diverse neighborhoods.

The Superintendent and Principal of the School will monitor the School's racial and ethnic balance on an annual basis, and may suggest revisions to targeted marketing and recruitment efforts from time to time to improve the School's racial and ethnic balance.

11. Adult (22+) High School Diploma Program

Notwithstanding any provision of this Contract to the contrary, consistent with R.C. §3314.38, and subject to continued Ohio Department of Education approval, the School may enroll and educate

eligible individuals as defined in R.C. §3317.23 who are at least twenty-two (22) years of age for up to two (2) consecutive school years to earn a high school diploma. An emolled eligible individual may satisfy the requirements to earn a high school diploma by successfully completing a competency-based educational program.

The School will comply with all requirements set forth in R.C. §§3317.23, 3317.231, 3314.38, and Chapter 3301-45 of the Administrative Code as applicable to community schools operating dropout prevention and recovery programs.

The School shall meet the minimum performance standards established by O.A.C. 3301-45-06(D) or its successor rule.

The Sponsor will be responsible for monitoring compliance and performance as it relates to its 22 plus program.

Admissions and Lottery Standards

The School is open to any individual entitled to attend school in Ohio pursuant to R.C. 3313.64 or 3313.65, except that admission may be limited to the geographic area and grade or age levels specified in the Community School Contract.

The School will not discriminate in the admission of students to the School on the basis of race, creed, color, disability, sex, intellectual ability, measures of achievement or aptitude, or athletic ability, provided, however, that the School may limit admission to students identified as "at risk" in the Community School Contract. Upon admission of a student with a disability, the School will comply with all federal and state laws regarding the education of students with disabilities.

If there are more applicants than there are spaces, a lottery will be conducted in the following manner:

- Each applicant will be assigned a number;
- The numbers will then be drawn at random by a disinterested third party;
- The first number drawn will be the first new applicant placed on a permanent waiting list and so on until all numbers are drawn;
- Applicants on a permanent waiting list prior to any lottery will retain their position on the waiting list;
- The school may separate the lottery and the waiting lists for each grade or age grouping;
- Students attending the previous year and students who reside in the district in which the school is located will have first preference for a position;
- Secondary preference may be given to siblings of existing students and students who are the children of full-time School Staff, provided the total

number of students receiving this preference is less than five percent (5%) of the School's total enrollment.

R.C. 3314.06.

See Policy 206 General Notice of Non-Discrimination, Policy 221 Access to Equal Educational Opportunity, Policy 241.3 Compulsory and Early Kindergarten Admission, Policy 241.5 Enrollment and Residency Policy, and Policy 241.6 Tuition for Out-of-State Students.

NOTICE

Pursuant to the Ohio Revised Code Section 3314.041, the governing authority of each community school and any operator of such school shall distribute to parents of students of the school upon their enrollment in the school the following statement in writing:

Townsend Community School is a community school established under Chapter 3314 of the Revised Code. The school is a public school and students enrolled in and attending the school are required to take proficiency tests and other examinations prescribed by law. In addition, there may be other requirements for students at the school that are prescribed by law. Students who have been excused from the compulsory attendance law for the purpose of home education as defined by the Administrative Code shall no longer be excused for that purpose upon their enrollment in a community school. For more information about this matter, contact the school administrator or the Ohio Department of Education.

241.2 Records upon Enrollment

Newly enrolled student records:

1. Upon entry, a request for records will be made within twenty-four (24) hours from the public or nonpublic elementary or secondary school the pupil most recently attended.
 - a. "Entry" is defined as the beginning of learning opportunities by a student at the School.
2. If the records are not received, a second request and contact with the parent and former school should be made within the first fourteen (14) days by the Principal or his/her designee.
3. If the records are not received within fourteen (14) days of the date of request, or the pupil's previous school indicates that it has no record of the pupil's attendance, or if the pupil does not present any one of the following: (1) a certification of birth; (2) a passport or attested transcript of a passport filed with a registrar of passports at a point of entry of the United States showing the date and place of birth of the child; (3) an attested transcript of the certificate of birth; (4) an attested transcript of the certificate of baptism or other religious record showing the date and place of birth of the child; (5) an attested transcript of a hospital record showing the date and place of birth of the child; or (6) a birth affidavit, the Principal will contact the former school directly, then the Principal or his/her designee will notify the law enforcement agency having jurisdiction in the area where the pupil resides of this fact and of the possibility that the pupil may be a missing child.
4. The School shall not admit any student requesting admission to the School after discharge or release from the custody of the department of youth services until the School is in receipt of (1) an updated copy of the student's academic transcript; (2) a report outlining the student's behavior in school while in custody of the department; (3) the student's current IEP if applicable; and (4) a summary of the institutional record of the student's behavior.
5. The School shall not deny admission to a child who has been placed in a foster home or in a residential facility (*e.g.*, a group home, child's crisis care facility, children's residential center, residential parenting facility with 24-hour care, county children's home or district's children's home) if the child does not present a birth certificate, or a comparable certificate from another state or country, or another document specifically listed above in (3) to attest to the child's date and place of birth upon registration for admission. Required documentation must be presented within ninety (90) days of the child's initial entry into the School. If the required records are not produced within ninety (90) days of enrollment the Principal or his/her designee will notify the law enforcement agency having jurisdiction in the area where the pupil resides of this fact and of the possibility that the pupil may be a missing child. A student under the care of a domestic violence shelter at the time of initial enrollment shall notify the School of that fact, and the School shall inform the school from which it requests the pupil's records of that fact.

6. In the event that an order or decree is issued allocating or modifying an allocation of parental rights and designating a residential parent, or that a grandparent power of attorney or caretaker authorization affidavit is executed, that residential parent or grandparent shall provide the School with a complete and accurate copy of the order and any other relevant documentation.

Requests for student records:

7. Upon receipt of a request for student records, the School will comply within two (2) business days.
8. Copies of the student's records will be made and kept on file.

R.C. 3313.672; O.A.C. 3301-10-01.

See also Policy 252 Missing and Absent Children.

241.4 Enrollees Suspended or Expelled Elsewhere

The school has the authority to recognize and honor the disciplinary suspensions and expulsions imposed by other public schools. A student who has been suspended or expelled from another school district in Ohio may be denied admittance at the School for a period equal to the period of the original suspension or expulsion. The student will be provided an opportunity for a hearing before admittance is denied.

If the student has been expelled or otherwise removed for disciplinary purposes from a public school in another state, the School may deny admittance for the shorter of (1) the period of such expulsion or removal or (2) the period of expulsion or removal which would have been applied had the student committed the same offense in Ohio. Prior to denial of admission, the student will be given an opportunity for a hearing.

R.C. 3313.66(J)(1)-(2)

241.5 Enrollment and Residency Policy

Per an agreement between the School, the Sponsor, and the Department, enrollment of new students will be limited to students residing in the home district of Margareta Local School District, and the school districts located in Sandusky County, Erie County, Ottawa County, Lorrain County, Seneca County, and Huron County ("admissions areas"). Student who enrolled in the School prior to October 1, 2020, but who do not reside in the Enrollment Area may remain at Townsend as specified in the Agreement between the School, the Sponsor, and the Department.

The School serves grades 9 - 12 as per its Community School Contract with its Sponsor.

A child shall be admitted to the School as a student, if the child's parent resides in the School's admission areas. Residency is not determined solely by where the parents own or rent a home or an apartment, but rather by where the primary residence is and where substantial family activities take place. Any one (1) of the following documents can be used to establish proof of residency for verification of a child's ability to be enrolled. These items must be current, be in the parent's name, and include a street address. A post office box address cannot be used to validate residency records:

- a. A deed, mortgage, lease, current home owner's or renter's insurance declaration page, or current real property tax bill; or
- b. A utility bill or receipt of utility installation issued within ninety days of enrollment; or
- c. A paycheck or paystub issued to the parent or student within ninety days of enrollment that includes the address of the parent's or student's primary residence; or
- d. The most current available bank statement issued to the parent or student that includes the address of the parent's or student's primary residence; or
- e. Documented affirmation of the parent's address from the district of residence where the parent currently resides; or
- f. Notarized affirmation of current address from parent or student if over age 18; or
- g. A USPS return receipt from a certified letter sent to the parents by the district of residence; or
- h. Written confirmation of the parent's current address from the Ohio Department of Job and Family Services; or
- i. Written confirmation of the parent's current address from a local law enforcement agency; or

- j. Any other official document issued to the parent or student that includes the address of the parent's or student's primary residence and as approved by the Ohio Superintendent of Public Instruction.

If there is a change in the location of the parent or student's primary residence, the student's parent must notify the School immediately.

The School shall monthly review the residency records of students enrolled in the School and shall provide an annual verification to the Ohio Department of Education that students are entitled to attend the School. Notwithstanding anything contrary in this policy, after a student's initial submission of one of the approved proof of residency records for enrollment purposes, the School may utilize either: one (1) newly submitted proof of residency documents listed in (a) through (j), or one (1) signed parent statement identifying the student's primary home address in order to conduct the monthly and annual verification. The Principal or his or her designee will compare each submitted proof of residence with the School's EMIS records to ensure that EMIS reporting is accurate that students are permitted to enroll.

All custody or court orders pertaining to the family or student must be turned in when asked, or at admission. If the School and Parent disagree as to residency status, the Superintendent of Public Instruction shall determine the public school in which the student may enroll. If the School and the Student's home district (district of residency) disagree about residency, this policy shall supersede any policy concerning the number of documents for initial residency verification adopted by the student's home district. If the district of residence challenges the student's residency, the Principal may request additional documentation from the Parent, which may be provided to the student's home district.

R.C. 3314.03(A); R.C. 3314.11; R.C. 3313.64(B)(1); R.C. 3313.64(K)

See also Appendix 241.5-A Residency Verification Procedures; Appendix 241.5-B Monthly Residency Verification Report; Policy 204.8 Migrant Students; Policy 241 Admissions and Lottery Standards; Policy 241.3 Compulsory and Early Kindergarten Admissions; Policy 252 Missing and Absent Children; Policy 294 Student Records and Release of Information; Policy 297 Homeless Children and Youth Policy; and Policy 298 Grandparent Caretaker Policy.

EXHIBIT 1(D)
FINANCIAL PLAN

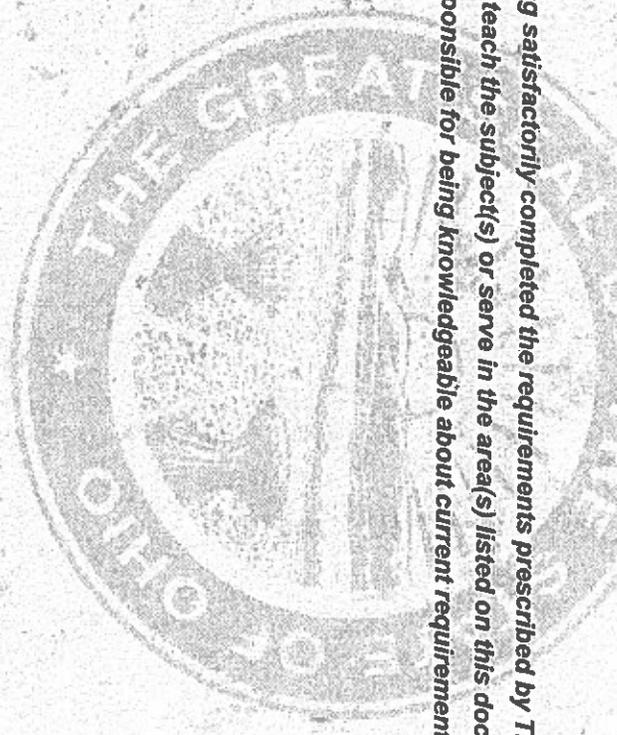
STATE OF OHIO DEPARTMENT OF EDUCATION
5 Year School Treasurer School Treasurer License

KELSEY KROMER

THIS LICENSE AWARDED TO

OH3267853 06/07/2021 07/01/2021 to 06/30/2026
EDUCATOR STATE ID ISSUE DATE EFFECTIVE DATES

The holder of this credential, having satisfactorily completed the requirements prescribed by The State Board of Education and the laws of Ohio, is authorized to teach the subject(s) or serve in the area(s) listed on this document for the period specified. The holder of this credential is responsible for being knowledgeable about current requirements for maintaining the credential.



Paula DeMuna
Superintendent of Public Instruction

This official document was created by the Ohio Department of Education and represents a true copy of a legal educator license as referenced in Ohio Revised Code Section 3319.36.
Credential # 22002026

Employers may verify this credential by going to Educator Profile on education.ohio.gov and ensuring that the unique credential number appearing on this credential matches the person's records in Educator Profile, which is the official record of educator credential history.

811 Madison Avenue
P.O. Box 2083
Toledo, OH 43603-2083

P (800) 288-6821
F (419) 255-7557



May 5, 2022

Kelsey M. Kromer
Townsend North Community School
209 Lowell Street
Castalia, Ohio 44824

Bond Type: Treasurer Bond
Bond #: 107492653
Term: 8/1/2022 - 8/1/2023

Dear Kelsey:

Enclosed is the above referenced requested bond. Please sign the bond where indicated above your name and retain the bond in your office. We do not require a copy of the signed bond.

If you have any questions regarding this bond, please let me know.

Sincerely,

Lindsay Roberts
lindsay.roberts@hylant.com
(419) 724-1939 Direct
(800) 288-6821 Toll Free
(800) 924-6615 Fax

Attachments

Hylant Administrative Services (HAS) administers the OSBA sponsored Bond Program for Public Schools, which is underwritten by St. Paul/Travelers. HAS also is the administrator for the Ohio School Plan (OSP), a public school property and casualty jointly administered self-insurance pool as authorized under Ohio Revised Code, Section 2744, which is also endorsed by the OSBA.

HYLANT

Hylant Administrative Services

**PUBLIC OFFICIAL BOND
(Definite Term)**

**Travelers Casualty and Surety Company of American
One Tower Square, Hartford, CT 06183**

Bond No. 107492653

KNOW ALL MEN BY THESE PRESENTS, That we Kelsey M. Kromer of Townsend North Community School, as Principal, and Travelers Casualty and Surety Company of America, a corporation duly incorporated under the laws of the State of Connecticut, as Surety, are held and firmly bound unto the State of Ohio, as Obligee, in the penal sum of Fifty Thousand (\$50,000) Dollars, lawful money of the United States of America, for the payment of which well and truly to be made, said Principal binds himself/herself, his/her heirs, executors, administrators and assigns, and said Surety binds itself, its successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the said Principal has been appointed to the office of Treasurer for a definite term beginning 8/1/2022, and ending 8/1/2023, and is required to furnish a bond for the faithful performance of the duties of the said office or position.

NOW, THEREFORE THE CONDITION OF THIS OBLIGATION is such that if the above bounden Principal shall (except as hereinafter provided) faithfully perform the duties of his/her said office or position during the said term, and shall pay over to the persons authorized by law to receive the same all moneys that may come into his/her hands during the said term without fraud or delay, and at the expiration of said term, or in case of his/her resignation or removal from office, shall turn over to his/her successor all records and property which have come into his/her hands, then this obligation to be null and void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that the above named Surety shall not be liable hereunder for any loss of any public fund resulting from the insolvency of any bank or banks in which said funds are deposited; and, if this provision shall be held void, this entire bond shall be void.

AND PROVIDED FURTHER, that the Surety may cancel bond at any time during the said term by giving to the obligee a written notice of its desire so to cancel and at the expiration of thirty (30) days from the receipt of such notice by the obligee the surety shall be completely released as to all liability thereafter accruing. If this provision shall be held void, this entire bond shall be void.

SEALED and dated this 5th day of May, 2022.

Witness

By:

Kelsey M. Kromer
Kelsey M. Kromer of Townsend North Community School,
Principal

Travelers Casualty and Surety Company of America

By:

Jennifer S. Johnston
Jennifer S. Johnston, Attorney-in-Fact

TRAVELERS

**Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company**

POWER OF ATTORNEY

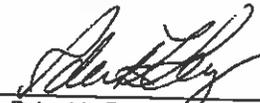
KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint Jennifer S. Johnston of Toledo, Ohio, their true and lawful Attorney-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this 17th day of January



State of Connecticut

City of Hartford ss.

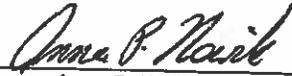
By: 
Robert L. Raney, Senior Vice President

On this the 17th day of January, 2019, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June, 2021**




Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 5th day of May, 2022.




Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney-in-Fact and the details of the bond to which this Power of Attorney is attached.

Office of Risk Assessment
50 West Town Street
Third Floor - Suite 300
Columbus, Ohio 43215
(614)644-2658
Fax(614)644-3256
www.insurance.ohio.gov

Ohio Department of Insurance

John R. Kasich - Governor

Mary Taylor - Lt. Governor/Director

Certificate of Compliance



Issued 03/09/2017

Effective 04/02/2017

Expires 04/01/2018

I, Mary Taylor, hereby certify that I am the Lt. Governor/Director of Insurance in the State of Ohio and have supervision of insurance business in said State and as such I hereby certify that

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

of Connecticut is duly organized under the laws of this State and is authorized to transact the business of insurance under the following section(s) of the Ohio Revised Code:

Section 3929.01 (A)

Accident & Health

Aircraft

Allied Lines

Boiler & Machinery

Burglary & Theft

Commercial Auto - Liability

Commercial Auto - No Fault

Commercial Auto - Physical Damage

Credit

Earthquake

Fidelity

Financial Guaranty

Fire

Glass

Inland Marine

Medical Malpractice

Multiple Peril - Commercial

Multiple Peril - Farmowners

Multiple Peril - Homeowners

Ocean Marine

Other Liability

Private Passenger Auto - Liability

Private Passenger Auto - No Fault

Private Passenger Auto - Physical Damage

Surety

Workers Compensation

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA certified in its annual statement to this Department as of December 31, 2016 that it has admitted assets in the amount of \$4,195,751,503, liabilities in the amount of \$2,107,562,219, and surplus of at least \$2,088,189,284.

IN WITNESS WHEREOF, I have hereunto subscribed my name and caused my seal to be affixed at Columbus, Ohio, this day and date.

Mary Taylor

Mary Taylor, Lt. Governor/Director



TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

HARTFORD, CONNECTICUT 06183

FINANCIAL STATEMENT AS OF DECEMBER 31, 2016

CAPITAL STOCK \$ 6,480,000

ASSETS		LIABILITIES & SURPLUS	
CASH AND INVESTED CASH	\$ 23,923,843	UNEARNED PREMIUMS	\$ 879,381,216
BONDS	3,472,087,233	LOSSES	758,091,002
STOCKS	321,318,705	LOSS ADJUSTMENT EXPENSES	224,272,289
INVESTMENT INCOME DUE AND ACCRUED	42,089,894	COMMISSIONS	39,769,777
OTHER INVESTED ASSETS	3,108,073	TAXES, LICENSES AND FEES	13,876,052
PREMIUM BALANCES	217,181,397	OTHER EXPENSES	42,557,946
NET DEFERRED TAX ASSET	69,571,966	CURRENT FEDERAL AND FOREIGN INCOME TAXES	11,351,648
REINSURANCE RECOVERABLE	23,137,819	REMITTANCES AND ITEMS NOT ALLOCATED	9,443,140
SECURITIES LENDING REINVESTED COLLATERAL ASSETS	6,917,816	AMOUNTS WITHHELD / RETAINED BY COMPANY FOR OTHERS	73,697,600
RECEIVABLES FROM PARENT, SUBSIDIARIES AND AFFILIATES	9,681,930	RETROACTIVE REINSURANCE RESERVE ASSUMED	877,978
ASSUMED REINSURANCE RECEIVABLE AND PAYABLE	593,147	POLICYHOLDER DIVIDENDS	9,082,802
OTHER ASSETS	6,199,678	PROVISION FOR REINSURANCE	3,555,060
		ADVANCE PREMIUM	1,786,267
		PAYABLE FOR SECURITIES	3,948,166
		PAYABLE FOR SECURITIES LENDING	6,917,816
		CEDED REINSURANCE NET PREMIUMS PAYABLE	26,816,735
		REINSURANCE PAYABLE ON PAID LOSSES & LOSS ADJ. EXPENSES	686,744
		OTHER ACCRUED EXPENSES AND LIABILITIES	1,349,281
		TOTAL LIABILITIES	\$ 2,107,682,219
		CAPITAL STOCK	\$ 6,480,000
		PAID IN SURPLUS	493,803,760
		OTHER SURPLUS	1,647,905,524
		TOTAL SURPLUS TO POLICYHOLDERS	\$ 2,088,189,284
TOTAL ASSETS	\$ 4,185,751,503	TOTAL LIABILITIES & SURPLUS	\$ 4,195,751,503

STATE OF CONNECTICUT)
 COUNTY OF HARTFORD) ss.
 CITY OF HARTFORD)

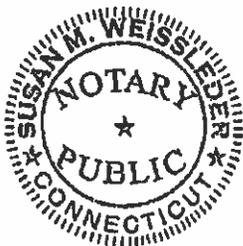
MICHAEL J. DOODY, BEING DULY SWORN, SAYS THAT HE IS SECOND VICE PRESIDENT, OF TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, AND THAT TO THE BEST OF HIS KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT STATEMENT OF THE FINANCIAL CONDITION OF SAID COMPANY AS OF THE 31ST DAY OF DECEMBER, 2016.

Michael J. Doody
 SECOND VICE PRESIDENT

Susan M. Weissleder
 NOTARY PUBLIC

SUSAN M. WEISSELEDER
 Notary Public
 My Commission Expires November 30, 2017

SUBSCRIBED AND SWORN TO BEFORE ME THIS
 17TH DAY OF MARCH, 2017





IMPORTANT DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

On November 26, 2002, President Bush signed into law the Terrorism Risk Insurance Act of 2002 (the "Act"). The Act establishes a short-term program under which the Federal Government will share in the payment of covered losses caused by certain acts of international terrorism. We are providing you with this notice to inform you of the key features of the Act, and to let you know what effect, if any, the Act will have on your premium.

Under the Act, insurers are required to provide coverage for certain losses caused by international acts of terrorism as defined in the Act. The Act further provides that the Federal Government will pay a share of such losses. Specifically, the Federal Government will pay 90% of the amount of covered losses caused by certain acts of terrorism which is in excess of an insurer's statutorily established deductible for that year. The Act also caps the amount of terrorism-related losses for which the Federal Government or an insurer can be responsible at \$100,000,000,000.00, provided that the insurer has met its deductible.

Please note that passage of the Act does not result in any change in coverage under the attached policy or bond (or the policy or bond being quoted). Please also note that no separate additional premium charge has been made for the terrorism coverage required by the Act. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium, and is no more than one percent of your premium.

School Name: Townsend Community School
 Statement of Receipt, Disbursements, and Changes in Fund Cash Balances
 For the Fiscal Years Ended 2020 through 2022, Actual and
 the Fiscal Years Ending 2023 through 2027, Forecasted

	Actual		Actual		Actual		Actual		Forecasted		Forecasted		Forecasted		2027
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	
Operating Receipts															
State Foundation Payments (3110, 3211)	\$ 8,189,899	\$ 4,456,397	\$ 5,998,241	\$ 4,238,297	\$ 4,238,257	\$ 4,291,554	\$ 4,344,756	\$ 4,397,816							
Charges for Services (1500)															
Fees (1830, 1840, 1850, 1860, 1870, 1880, 3190)	380,720	223,928	251,724	195,095	195,095	190,000	195,000	200,000							
Other (1830, 1840, 1850, 1860, 1870, 1880, 3190)	\$ 8,570,589	\$ 4,680,285	\$ 6,219,973	\$ 4,423,392	\$ 4,423,352	\$ 4,481,554	\$ 4,539,756	\$ 4,597,816							
Total Operating Receipts															
Operating Disbursements															
100 Salaries and Wages	\$ 3,894,242	2,095,000.00	\$ 1,894,053	\$ 2,024,697	\$ 2,105,000	\$ 2,142,000	\$ 2,190,000	\$ 2,230,000							
200 Employee Retirement and Insurance Benefits	1,898,788	1,220,000	909,698	1,070,000	1,100,000	1,330,000	1,470,000	1,500,000							
400 Purchased Services	1,302,207	844,800	695,991	707,000	700,000	683,000	683,000	683,000							
500 Supplies and Materials	785,067	205,000	309,788	575,000	445,000	450,000	450,000	470,000							
600 Capital Outlay - New	64,232	36,970	55,000	55,000	1,000,000	20,000	20,000	20,000							
700 Capital Outlay - Replacement															
800 Other	289,287	313,645	184,274	208,500	165,000	167,000	169,000	170,000							
819 Other Debt	614,000	250,353	284,135	394,588	390,000	400,000	410,000	420,000							
Total Operating Disbursements	\$ 8,607,633	\$ 4,985,788	\$ 4,247,817	\$ 5,024,165	\$ 5,905,000	\$ 5,192,000	\$ 5,397,000	\$ 5,493,000							
Excess of Operating Receipts Over (Under) Operating Disbursements	\$ (37,244)	\$ (285,472)	\$ 1,972,098	\$ (600,813)	\$ (1,481,648)	\$ (710,446)	\$ (657,244)	\$ (955,184)							
Nonoperating Receipts/(Disbursements)															
Federal Grants (a) 4000 (except fund 532)	\$ 527,980	960,000.00	\$ 1,371,427	\$ 1,980,000	\$ 2,900,000	\$ 685,000	\$ 605,000	\$ 620,000							
State Grants (3200, except 3211)															
Restricted Grants (3219, Community School Facilities Grant)															
Donations (1820)															
Interest Income (1400)	31,025	2,928	2,068	5,540	5,540	6,000	5,400	5,000							
Debt Proceeds (1900)	(394,110)	(397,500)	(193,781)	-	-	-	-	-							
Debt Principal Retirement															
Interest and Fiscal Charges															
Transfers - In															
Transfers - Out															
Total Nonoperating Revenues/(Expenses)	\$ 168,605	\$ 1,098,668	\$ 1,373,490	\$ 1,995,540	\$ 2,905,540	\$ 701,000	\$ 610,400	\$ 625,000							
Excess of Operating and Nonoperating Receipts Over/(Under) Operating and Nonoperating Disbursements	\$ 131,361	\$ 811,196	\$ 3,345,598	\$ 1,394,727	\$ 1,423,892	\$ (9,446)	\$ (246,844)	\$ (270,184)							
Fund Cash Balance Beginning of Fiscal Year	\$ 1,185,048	\$ 1,924,408	\$ 2,135,605	\$ 5,481,193	\$ 6,875,920	\$ 8,289,812	\$ 8,290,366	\$ 8,043,522							
Fund Cash Balance End of Fiscal Year	\$ 1,324,408	\$ 2,135,605	\$ 5,481,193	\$ 6,875,920	\$ 8,289,812	\$ 8,290,366	\$ 8,043,522	\$ 7,773,338							

Assumptions

	Actual		Actual		Actual		Actual		Forecasted		Forecasted		Forecasted		2027
Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year		
Standards/encumbrment	2020	2021	2022	2023	2024	2025	2026	2027							
Total Student FTE	1015	542	508	390	380	385	390	395							
Instructional Staff	38,00	16,00	18,00	19	8	18	19	19							
Administrative Staff	12,00	5,00	5,00	5	5	5	5	5							
Other Staff	12,00	0,00	14,00	14	14	14	14	14							
Purchased Services															
Rent	2,532.00	2,500.00	2,400.00	2,100.00	5,400.00	5,400.00	5,400.00	5,400.00							
Utilities	113,248.00	44,000.00	43,000.00	49,750.00	51,000.00	52,000.00	52,000.00	52,000.00							
Other Facility Costs	32,588.00	35,000.00	23,000.00	23,250.00	23,000.00	30,000.00	30,000.00	30,000.00							
Insurance	14,418.00	13,000.00	7,000.00	5,177.00	6,000.00	6,000.00	6,000.00	6,000.00							
Management Fee	243,470.00	351,000.00	180,000.00	161,560.00	158,000.00	156,000.00	156,000.00	156,000.00							
Audit Fees	13,411.00	13,000.00													
Contingency	134,384.00	40,000.00	7,500.00	13,000.00	13,150.00	5,800.00	5,000.00	5,000.00							
Transportation	183,539.00	140,000.00	18,000.00	22,000.00	22,000.00	50,000.00	50,000.00	50,000.00							
Legal	-	-	18,000.00	18,000.00	22,000.00	22,000.00	22,000.00	22,000.00							
Marketing	-	-	100,000.00	100,000.00	155,100.00	155,100.00	155,100.00	155,100.00							
Consulting	-	-	-	-	-	-	-	-							
Salaries and Wages	97,686.00	-	-	-	-	-	-	-							

4,423,352 / 390 = 11640.40 per FTE
 cutting out advertising
 accounting for 135,000 emergency connectivity supplies purchases that will not repeat

salaries/benefits on spreadsheet, nurse 10,000, PBIS supplies 5,000

Employee Benefits	Special Education Services	Technology Services	Food Services	Other	Total
\$4,893.00	\$4,000.00	35,000.00	32,883.00	37,650.00	39,500.00
42,928.00	28,300.00	115,000.00	100,000.00	100,000.00	110,000.00
37,826.00	-	1,000.00	3,000.00	3,000.00	3,000.00
281,512.00	142,000.00	80,991.00	90,150.00	90,500.00	91,100.00
\$ 1,502,207.00	\$ 864,800.00	\$ 695,991.00	\$ 707,000.00	\$ 700,000.00	\$ 683,000.00

Financial Metrics	Debt Service Payments	Debt Service Coverage	Growth in Enrollment	Growth in New Capital Outlay	Growth in Operating Receipts	Growth in Non-Operating Receipts/Expenses	Days of Cash
\$ 384,110	2.86	0.00	0.00%	0.00%	0.00%	0.14	
0.00%	-46.88%	-6.27%	-25.20%	-100.00%	25.24%	0.50	
0.00%	0.00%	-42.44%	0.00%	32.90%	45.29%	1.09	
0.00%	0.00%	-45.39%	-100.00%	32.90%	45.29%	1.16	
0.00%	0.00%	550.44%	25.24%	45.29%	45.60%	1.18	
0.00	0.27	0.27	0.50	1.09	1.16	1.54	

Per Pupil Expenditure \$ 13,221.49 \$ 15,539.47 \$ 13,465.71 \$ 13,838.46 \$ 13,906.33

Assumptions Narrative Summary

Fiscal Year 2021-2022 Projected Debt					
Description	Beginning Year Balance	Principal Retirement	Interest Expense	Ending Year Balance	Debtor/Creditor
FTE Review	\$3,495,924.26	\$ 384,568.00	\$ -	\$3,111,356.26	ODE
Loan A	\$ -	\$ -	\$ -	\$ -	
Loan B	\$ -	\$ -	\$ -	\$ -	
Line of Credit	\$ -	\$ -	\$ -	\$ -	
Notes, Bonds	\$ -	\$ -	\$ -	\$ -	
Capital Leases	\$ -	\$ -	\$ -	\$ -	
Payables (Past Due 180+ days)	\$ -	\$ -	\$ -	\$ -	
Total	\$ 3,495,924.26	\$ 384,568.00	\$ -	\$3,111,356.26	

Five Year Forecast Narrative
 Best Estimate as of January 2023
 Introduction

The Community School is located in Erie County and is sponsored by Margaretta School District. All legislative power of the Community School is held by the Board of Directors. The Community School is staffed by 15 classified employees and 23 certificated employees who provide services to approximately 380 (11/222) Full Time Equivalency (FTE) students.

The financial forecast presents, to the best of the Township Community board's knowledge and belief, the expected revenues, expenditures, and operating balance of the General Fund based on the best and most current information available to us at this date. This financial forecast includes three years of historical (actual) data (FY20-FY22) and five years of projected (estimated) data (FY23-FY27). As a result, the forecast reflects the board's judgment of the expected conditions and expected future achievements as of March 2022. Differences between the forecast and actual outcomes will arise because of unforeseen circumstances.

State Foundation Payments

These projections are based on enrollment numbers by utilizing the current funding formula, found on the monthly detailed financial summary report provided by the ODE, which includes additional for special education weighted aid and parity aid. FY23, 380 FTE; FY24, 380; FY25, 385 FTE; FY26, 390 FTE; & FY27, 395 FTE. Enrollment numbers are based off a reduction in territory served by school going down to Erie County and the 5 contiguous counties. Enrollment numbers are estimates and currently based on number of students living in those areas.

The total operating receipts are based on about 70% of what total funding would be at 100% attendance, minus FY22. This will eliminate overpayments and true-ups will occur throughout the course of the fiscal year.

Other in Operating Receipts is assumed funding for Facilities Funding for FY22 which increases or decreases with enrollment projections.

Grant reimbursement is included under the assumption that current allowable expenses under ESSER are allowed to continue.

Also, it operates under the assumption that we can afford the salaries of the staff in the grants from their designated grants. (i.e., our allocations remain enough to cover these)

FY23 Grant Reimbursement includes E-Rate and Emergency Connectivity funds. These purchases are also included in the supplies budget

Operating Disbursements

Salaries and Wages (100's)

Includes salaries and wages for regular employees; supplemental, and miscellaneous pay.

- Wages are calculated in accordance with existing wage agreements and historical patterns regarding supplemental, extended and substitute pay. Steps and a 1% raise to the base were applied in FY23, and in the following fiscal years (24, 25, 26, 27) steps are assumed to be applied with no raise to the base. The five year forecast is created using contract amounts for each school year based on the school's established pay scale.

Because the first two months of the fiscal year are actually still paying the previous year's contracted salaries, the amount budgeted for salaries might be minimally inflated.

Employees' Retirement/Insurance Benefits (200's)

Includes board contributions for employees' retirement, workers' compensation premiums and costs, unemployment compensation premiums, and employee health insurance benefits. The Board of education pay's 14% of each employee's salary to the State Teachers Retirement System (STRS) for certificated employees or to the School Employee's Retirement System (SERS) for classified employees. The board is also required to pay 1.45% of each employee's salary for Medicare tax. ***Health Insurance premiums are expected to increase at a rate of 1.5 percent each year over the forecast.***

Purchased Services (400's)

Includes purchased services purchased through BOTH the general fund and the grant funds. Includes instructional services, mileage reimbursement, tuition, legal fees, facility rental, building maintenance, utilities, shared service support, property insurance, telephone service, school resource officer & computer consortium support.

Included in the shared services agreement with have with our Sponsor School, Margareta, are our transportation services. Margareta is able to bus our surrounding students to our building each day of the week, so they are able to be at our physical location. Costs of this transportation include bus drivers and monitors for bus and van transportation, as well as mileage for both busses and vans used for the transportation of Townsend students.

It is assumed that some purchased services will be caught back on in Fiscal Years 25, 26 and 27, such as the advertising, transportation reimbursement, and potentially consulting. **Supplies, Materials and Textbooks (500's)**

Includes supplies purchased with both the general fund and grant funds. Amounts paid for material items of an expendable nature that are consumed, worn out from use. Includes textbooks, supplies for teachers, office supplies and materials, maintenance supplies. A 15,000 technology budget has been factored into each year starting with FY23.

Capital Outlay(600-700's)

Includes new and replacement equipment. This is also considered a contingency in case of emergency (i.e. replacing a large item not foreseen)

It is assumed to need to purchase additional equipment as enrollment and staffing warrants. It is assumed a van will be purchased using ESSER funds in FY23 which will fall under capital outlay.

The Renovation budget of 1,000,000 is included in FY24 minus some that will be paid in FY23

Other Objects (800's)

Includes annual single audit charges, bank charges, liability and accident insurance, professional dues/fees/memberships, judgments against the district, administration fee (sponsor fee). Note the Sponsor's fee is proportionally reduced by any FTE repayments made by the school over the term of such repayments

Other Debt (819)

Outstanding debt for repayment of FTE determination. Included on this line are repayments for previous years FTE overpayments. For FY21, a total of 4.5% of total revenue was paid back for these overpayments. For FY22, the repayment has been moved to 8%. If there is a variance of 6% or more on reported FTE's in future reviews, the payback percentage will be moved to 12%.

Debt Retirement

In FY16 TCS entered into a lease-purchase agreement with Margareta BOE to finance \$1,700,000 of the cost of the building addition which will be repaid over five years ending December of 2020. Townsend Community School also received PPP loans through Civista Bank. The PPP loans have been forgiven.

Staffing/Enrollment

Enrollment has been assumed to remain fairly steady with small growth. It is difficult to determine enrollment numbers moving forward as it will depend on areas served and educational model of the school.

The first part of the report discusses the general financial situation of the company, including the balance sheet and the profit and loss account. It also mentions the company's assets and liabilities, and the results of the financial statements for the year.

The second part of the report provides a detailed analysis of the company's financial performance, including a comparison of the results with the previous year and with the industry. It also discusses the company's financial strategy and the measures taken to improve its financial position.

The third part of the report discusses the company's financial risks and the measures taken to manage them. It also mentions the company's financial forecasts for the future and the measures taken to ensure the company's financial stability.

The fourth part of the report discusses the company's financial relationships with its creditors and suppliers, and the measures taken to ensure the company's financial obligations are met. It also mentions the company's financial relationships with its shareholders and the measures taken to ensure their interests are protected.

The fifth part of the report discusses the company's financial relationships with its customers and the measures taken to ensure their interests are protected. It also mentions the company's financial relationships with its employees and the measures taken to ensure their interests are protected.

The sixth part of the report discusses the company's financial relationships with its competitors and the measures taken to ensure their interests are protected. It also mentions the company's financial relationships with its regulators and the measures taken to ensure compliance with the law.

The seventh part of the report discusses the company's financial relationships with its stakeholders and the measures taken to ensure their interests are protected. It also mentions the company's financial relationships with its investors and the measures taken to ensure their interests are protected.

The eighth part of the report discusses the company's financial relationships with its partners and the measures taken to ensure their interests are protected. It also mentions the company's financial relationships with its suppliers and the measures taken to ensure their interests are protected.

148.1 Purchasing/Invoicing

Before placing a purchase order, each party authorized to place a purchase order should consider whether the material requested may be available elsewhere in the School or in the management company network, if any. In the interests of economy, fairness and efficiency, the Board requires that:

- A. All purchase orders shall be numbered consecutively.
- B. An informal but documented assessment of the responsibility, reliability, comparative cost and reputation of available qualified suppliers shall have been conducted before the purchase order is submitted.
- C. Certain purchases may be below an amount of money allowed to be spent without a properly signed purchase order, as authorized by the management company, if any, and the Principal.
- D. Insofar as conditions permit, all legitimate business suppliers shall be treated courteously.
- E. Credit card agreements may be approved by the Principal and the management company, at their sole but joint discretion, and, if so approved, all credit cards shall be kept in the custody of the Principal in a locked area. All credit card purchases require the prior written approval of the Principal and the _____. Any staff member or Board member entrusted with a credit card shall be personally liable for the proper use and safekeeping of the credit card.
- F. Cooperative purchasing among schools managed by the same company is encouraged, if it results in an economic advantage. Other cooperative purchasing may be considered as well.
- G. If it results in an advantage of any kind, the School may prefer local vendors.
- H. All applicable ethical and conflicts rules shall be followed when purchasing or soliciting for purchasing. No director, officer, employee, staff or agent of the School shall 1) solicit or participate in the negotiations of a contract in which he or she has any direct or indirect pecuniary or beneficial interests or 2) accept any gift or favor from a vendor which might influence their recommendations in the eventual purchases of equipment, supplies or services.

These policies do not prevent any person from receiving royalties upon the sale of any textbook or similar educational product of which she or he is the author, which has been properly approved for use in the School.

If the Board is presented with an invoice from a vendor, the vendor must certify that the good or services were used for School purposes, the invoice must contain sufficient itemization to

determine that the services or goods were used for School purposes and the fiscal agent or fiscal officer of the School shall pre-approve payment before the invoice is approved by the Board.

R.C. 102.03; OAC 117-2-02

See also Policy 148.6 Credit Cards and Policy 395.1 Purchase of Supplies and Materials, Equipment.

148.2 Fixed Asset Policy/Title I and Federal Grant Assets Policy

Purpose

The School's Fixed Asset/Title I and Federal Grant Assets policy establishes a fixed asset accounting system that, if followed, will ensure that the School properly handles and disposes of assets, including those assets obtained with Title I grant monies and other federal grant awards, and contains sufficient data to permit:

1. The preparation of fiscal year-end financial statements in accordance with Generally Accepted Accounting Principles (GAAP);
2. Adequate insurance coverage; and
3. Control, accountability and security.

Classifications of Fixed Assets. Fixed assets shall be classified as either: (1) equipment, (2) supplies, (3) furniture, (4) leased fixed assets, or (5) real property.

Criteria for Fixed Asset Capitalization and Valuation

An item is a Fixed Asset if it has a useful life of one (1) year or more and the cost of the asset is greater than \$5,000.00, or, it is a leased asset with a purchase price of greater than \$5,000.00.

Fixed Assets are to be valued at historical cost or, if that amount is not practicably determined, at estimated historical cost. The Controller shall determine the estimated historical cost. Donated Fixed Assets shall be valued at the donor's estimated fair market value at the time of gifting.

Depreciation in value of a Fixed Asset will be calculated using straight-line depreciation. The estimated life of a fixed asset shall follow Association of School Business Officials (ASBO) guidelines.

Management of Fixed Assets

The School shall conduct a physical inventory of its fixed assets at least every two years. The results of the physical inventories must be reconciled with the property records.

The School shall develop a control system to safeguard against loss, damage, or theft of fixed assets. The School shall investigate any loss, damage, or theft of any fixed asset. To the greatest extent possible, the School shall also maintain effective internal controls and safeguard all computing devices and assure that such devices are used solely for authorized purposes.

In order to prevent loss or theft of School property, all fixed assets (other than real property) will have a School fixed asset sticker indicating the School's ownership.

The School shall maintain its fixed assets in order to keep them in good condition and working order.

The following information shall be maintained for all fixed assets:

1. description of the asset
2. title information
3. serial number of the asset, if applicable
4. asset classification
5. location, use, and condition of the asset
6. purchase price and percentage of federal participation
7. vendor
8. date purchased or leased
9. percent of federal funds used for purchase or lease, if applicable
10. accumulated depreciation
11. date and method of disposal and sale price
12. records generated by physical inventories

Acquisition of Fixed Assets

Real Property Acquired with Title I or Other Federal Grants. Real property acquired with federal Title I or other federal grant monies received by the School shall be titled in the name of the School.

Except as otherwise provided by federal law or by the federal awarding agency, real property acquired with federal Title I or other federal grant monies shall be used for the purposes authorized by the grant(s). The School shall not dispose of or encumber its title or other interest in any real property acquired with federal Title I or other federal grant monies so long as the real property is needed for the originally authorized purpose.

Equipment Acquired with Title I or Other Federal Grants. Equipment acquired with federal Title I or other federal grant monies received by the School shall be titled in the name of the School.

For as long as needed, the School shall use equipment acquired with federal Title I or other federal grant monies in the program or project for which it was acquired, whether or not the project or program continues to be supported by federal funds. The equipment may be used in other activities currently or previously supported by a federal agency when it is no longer needed for the program or project for which it was acquired. The School shall give priority to activities under a federal award from the same agency then to activities under a federal award from other federal agencies.

The School can use equipment acquired with Title I or other federal grant monies on other projects or programs that are currently or were previously supported by the federal government provided that such use will not interfere with the program or project for which the equipment was acquired. First preference should be given to other programs or projects supported by the agency that awarded the grant monies.

The School shall not use the equipment acquired with federal Title I or other federal grant monies to provide services for a fee that is less than private companies charge for equivalent services.

The School shall obtain the approval of the awarding agency if required by the federal award before it (1) uses equipment acquired with federal Title I or other federal grant monies as a trade-in to acquire equipment to replace the old equipment, or (2) sells the old equipment and uses the sale proceeds to offset the cost of the replacement equipment.

Supplies Acquired with Title I or Other Federal Grants. Supplies acquired with federal Title I or other federal grant monies received by the School shall be titled in the name of the School.

The School shall not use the supplies acquired with federal Title I or other federal grant monies to provide services for a fee that is less than private companies charge for equivalent services.

Equipment Furnished by Federal Agency. The School shall ensure that the equipment remains titled in the name of the Federal Government. The School shall follow the rules and procedures of the federal agency for managing the property.

Disposal of Fixed Assets

The School shall establish and follow procedures to ensure that it receives the overall best possible return, if it sells any fixed asset. An independent valuation or market comparison may be used, among any other reasonable method of valuation.

Fixed Assets Not Acquired with Title I or Federal Grant Funds. Fixed assets that were not acquired in whole or part with federal grant monies will be disposed in a manner approved by the Governing Authority of the School. Upon recommendation of the Principal or Treasurer, such Board resolution shall designate the materials, equipment, supplies or other assets as obsolete, excess or unusable, and, shall identify the assets, and may sell, donate or lawfully dispose of them. Any proceeds shall be put in the general fund.

Real Property Acquired with Title I or Federal Grant Funds. When real property acquired with federal grant monies is no longer used for the originally authorized purpose(s), the School shall dispose of such property pursuant to instructions provided by the awarding agency.

Equipment and Supplies Acquired with Title I or Federal Grant Funds. The School may retain, sell, or otherwise dispose of equipment acquired with federal funds. However, the School shall contact the awarding agency for disposition instructions before it sells any equipment with a per unit value of greater than \$5,000 because the awarding agency may have a right to a portion of the proceeds of the sale. State law may dictate the procedures that must be followed or otherwise place restrictions on the ability of the School to sell the property.

Disposal of Equipment Provided by a Federal Agency. The School shall only dispose of federal equipment pursuant to instructions provided by the federal agency that provided the equipment, or should the assets or equipment be under a value or value per unit as applicable under the rules of

the federal agency, then the School may dispose of the equipment or asset as if it was not acquired with federal grant funds.

2 C.F.R. 200.

See also Policy 148.8 Federal Grants Procurement, Monitoring, and Administration.

148.3 Audit Committee

The Board shall establish an audit committee which shall consist of one of the following: the entire Board membership, or, a minority of the Board membership, or, a minority of the Board membership and any outside consultants of the Board's choice. At least one member of the audit committee shall possess knowledge in the areas of accounting, auditing, financial reporting or school finance. The audit committee shall serve a one-year term and meet as often as necessary to carry out its responsibilities. Members of the audit committee shall attend to their responsibilities in good faith, and in a manner they reasonably believe to be in the best interests of the School.

The purpose of the audit committee is to ensure that both external and internal audit functions and other accountability issues receive adequate oversight. The audit committee's responsibilities include, but are not necessarily limited to, a review of the annual unaudited financial reports submitted to the Auditor of State; a periodic review of the interim financial information submitted to the Board; a review of all audit results; an assurance that audit recommendations are appropriately addressed; serving as a liaison between School management and the independent auditors. Any recommendations of the audit committee shall be presented to the Board and responsibility for official action remains with the Board.

OAC 117-2-05

148.4 Independent Contractor

For purposes of this policy, independent contractors are individuals who provide services to the School who are not treated as employees of the School for purposes of withholding federal employment and income taxes.

The School may contract with an independent contractor for a service if none of the School's employees are qualified to provide the service, or, if having Employees perform the service would interfere with the daily operations of the School, or, if the Board of Directors of the School or its authorized designee deems it in the best interest of the School.

The School shall maintain a list of the independent contractors with whom it has contracted.

To the extent required by law, the School shall issue a 1099 Form to each independent contractor reporting the amount paid to the contractor and file the form with the appropriate governmental agency(ies).

In contracting for services with any independent contractor, the School shall enter into a written contract on or before the date the independent contractor begins to provide services under the contract if the amount payable under the contract is \$600.00 or more. The contract shall specifically describe the services that the independent contractor will provide under the contract.

The School shall obtain a W-9 form from the independent contractor at the time the contract is executed.

Subject to the terms of the contract, the School shall require that the independent contractor substantiate that the services have been performed before the School shall remit payment for the services.

No independent contractor shall be paid as an employee on a W-2 form. If any state retirement system decides that School must pay into its system on behalf of a contractor, such funds will be deducted from the gross pay to the contractor.

All employees of independent contractors providing "essential school services" to the School must fulfill one of the following conditions:

1. The independent contractor has provided proof that it has requested a criminal records check, including an FBI check, within the five-year period prior to the date on which the person will begin working in the School and the records check indicated that the person had not been convicted of or pleaded guilty to an offense that would disqualify the person for employment with the School;

OR

2. During periods of time when the employee of the independent contractor will have routine interaction with a child or regular responsibility for the care, custody or control of a child,

an employee of the School has been assigned to be present in the same room as the child or, if outdoors, to be within a 30-yard radius of the child or to have visual contact with the child.

The Principal or his/her designee is responsible for ensuring that employees of independent contractors have successfully completed a criminal records check or will be supervised when they have access to children.

The Principal has specified that "essential school services" are necessary services that would need to be provided by Employees if the services were not provided by an independent contractor (such as food, janitorial or clerical services).

IRC 6041; R.C. 3314.41

148.5 Annual Financial Report

The School shall file an annual financial report, which must be prepared using generally accepted accounting principles. The report must contain the following:

1. The amount of collections and receipts, and accounts due from each source;
2. The amount of expenditures for each purpose;
3. The income of each public service industry owned or operated by a municipal corporation, and the cost of such ownership or operation (if applicable); and
4. The amount of public debt of each taxing district, the purpose for which each item of such debt was created, and the provision made for the payment thereof (if applicable).

The School must prepare two copies of the report. The original must be filed with the auditor of state at "Auditor of State, Local Government Services Division, 88 East Broad Street, Columbus, Ohio 43216-1140" or "Post Office Box 1140, Columbus, Ohio 43216-1140" and the copy must be retained by the School's fiscal officer. The report must be filed either in paper form or electronically in a manner and format prescribed by the auditor of state and must be filed within one hundred and fifty (150) days after the close of the fiscal year. At the time the report is filed with the auditor of state, the School's fiscal officer must publish notice in a newspaper of general circulation in the political subdivision or taxing district.

R.C. 117.38; OAC 117-2-03.

148.6 Credit Cards

For purposes of this policy, credit cards are defined to include business check cards and debit cards. The Board recognizes the convenience and efficiency afforded by the use of School credit cards. A credit card shall not be used in order to circumvent the general purchasing procedures established by State law and Board policy. The Board affirms that credit cards shall only be used in connection with Board-approved or School-related activities and that only those types of expenses that are for the benefit of the School and serve a valid and proper public purpose shall be paid for by credit card. Any changes to credit card terms requiring consumer authorization, including changes to credit limits, shall be approved by the Board. As such, employees are required to abide by the following guidelines when using a School credit card.

1. All credit cards issued to and in the name of the School shall be held and supervised by the Principal.
2. Subject to the discretion of and the approval of the Principal, credit cards may be used for eligible goods and services including:
 - a. Transportation reservations and expenses.
 - b. Conference registrations.
 - c. Hotel reservation guarantees and expenses.
 - d. If monies are budgeted and deposited with the Principal in advance, credit cards may be used by Employees for student trips and competitions for safety and security reasons.
 - e. Reasonable real expenses, including a maximum gratuity of twenty percent (20%), but excluding alcoholic beverages, since the purchase of such beverages clearly fails to serve a valid and proper public purpose.
 - f. Purchases from vendors who do not accept purchase orders or vouchers, with prior approval from the Principal.
 - g. Other purchases approved by the Principal on a case-by-case basis.
3. Credit cards shall not be used for personal purchases or expenditures not allowed under this guideline. In particular, credit cards shall not be used for expenses that are not incurred in connection with Board-approved or School-related activities, are not for the benefit of the School, and do not serve a valid and proper public purpose. Use of credit cards in an unauthorized or illegal manner may result in revocation of credit card privileges, disciplinary action and/or, where appropriate, may require the user to pay any and all inappropriate charges, including finance charges and interest assessed in connection with the purchase.
4. The Principal shall establish limits on the total dollar amount that an employee may incur

as a part of any individual transaction based on the Principal's good faith estimate of the purchase or expense, which shall be approved or ratified by the Board of Directors.

5. Employees requiring the use of a School credit card shall request in writing such card from the Principal, which shall include a signed statement that the requesting employee has read this policy, and understands and agrees to abide by its terms.
6. The School is a nonprofit instrumentality of the State of Ohio. Tax exemption forms shall be utilized and are available in the Principal's office.
7. Upon receipt of a School credit card, employees shall:
 - a. Inform merchants that the purchase is for "Official School Business" and is not subject to State or local sales tax. However, if the merchant fails to waive the tax, the employee shall pay it. For large purchases where the merchant refuses to waive the tax, the employee shall present a tax exemption form.
 - b. Maintain credit cards in a secure fashion and prevent unauthorized charges to the account.
 - c. Maintain sufficient documentation of all purchases, including, but not limited to, charge receipts, original cash register slip or other detailed receipt, and invoices.
 - d. Provide documentation of all purchases to the Principal in a timely manner to ensure prompt payment.
 - e. Immediately notify his or her immediate supervisor and the Principal if the card is lost or stolen.
 - f. After use, School credit cards are to be returned to the Principal, along with appropriate receipt copies of all charges.
 - g. Upon receipt of the appropriate documentation, credit card expenditures will be paid through the Principal's Office.
 - h. The Principal or his/her designee will monitor the credit card account(s) and reconcile all credit card accounts on a monthly basis. A report will be a part of the monthly Cash Activity Report reported to the Board.
 - i. If the employee is terminated or resigns, he or she must return the credit card and shall remain responsible for any inappropriate use.
8. Failure to turn in receipts and appropriate forms to the Principal within five (5) business days may result in the charges being deemed unrelated or unsubstantiated. This amount will then be charged back to the user.
9. Credit Cards shall never be used for any cash withdrawal transactions or advances from a financial transaction device or automated teller machine ("ATM"), or to obtain any cash back on a credit card transaction.

See also Policy 148.1 Purchasing/Invoicing.

148.7 Staff Reimbursement

Expenses which are incurred by professional staff members as a result of authorized travel for the School will be reimbursed to the extent provided for in these guidelines. Reimbursement is intended to provide for transportation, lodging, and food of reasonable and adequate quality. When traveling on School business, a professional Staff member is expected to use the same care in incurring expenses that a prudent person would exercise if traveling on personal business, and reasonable efforts will be made to reimburse actual expenses. Excessive costs, such as those caused by circuitous routes or luxury services or accommodations, will not be considered prudent, nor will they be accepted for reimbursement. No charges for alcoholic drinks will be reimbursed. Rental cars must be economy rentals unless approved in advance by the Treasurer as otherwise necessary or prudent.

Authorization and Procedure: When travel is expected, a requisition form should be completed and approved by the Superintendent at least ten (10) days prior to the date a decision is needed. This request should detail all estimated expenditures.

Reimbursement: Reimbursement will be at the current approved IRS rate if driving on School business. If transporting students to competition or trips, Staff volunteers will be reimbursed actual expenses, documented by receipt, or at the IRS Approved Charitable Rate.

A Travel Reimbursement Form must be completed and signed by a supervisor. All claims must be supported by original receipted bills. Reimbursement for reasonable charges for tolls and parking will be made upon presentation of supporting receipts.

Other Reimbursement: Staff must follow all rules concerning purchasing and School credit card use. If Staff otherwise personally advances money on behalf of the School, it does so completely at its own risk of non-reimbursement, provided however, the Board is authorized to reimburse such advances only if it finds that the expenditure was made without adequate opportunity for prior approval, or was an emergency and advanced as a necessity, for the benefit of the School. All reimbursements must be supported by detailed receipts.

Staff cannot be reimbursed for any expense if the Staff member received a benefit through a rewards program for that expense. Rewards programs allow users to earn rewards based on how much money they spend. Examples of rewards programs include, but are not limited to, frequent flier miles, grocery store loyalty card programs, and hotel free night programs. This prohibition includes rewards programs tied to credit cards and loyalty customer cards.

Staff Relocation: Relocation costs that are incident to the permanent change of duty assignment of an existing employee or new recruit for an indefinite period or a stated period of not fewer than 12 months, may be allowable to the extent that such costs:

- Are caused by a move that is for the benefit of the employer;
- The amount reimbursed does not exceed the employee's actual or reasonably estimated expense;
- The costs are for allowable expenses, including:

- The cost of transportation of the employee and his or her immediate family and household and personal effects;
- The cost of finding a new home, including up to 30 days of temporary lodging and/or advanced trips;
- Closing costs incidental to the disposition of the employee's former home (unless the employee resigns for reasons within the employee's control within 12 months after hire);
- Up to 6 months of continuation costs related to the vacancy of the former home after the settlement or lease of the employee's new permanent home (e.g., home and grounds maintenance, utilities, taxes, and property insurance) (unless the employee resigns for reasons within the employee's control within 12 months after hire); and
- Other necessary and reasonable expenses normally incident to relation home (unless the employee resigns for reasons within the employee's control within 12 months after hire).

Relocation costs do not include:

- Fees and other costs associated with acquiring a new home;
- A loss on the sale of a former home;
- Continuing mortgage principle and interest payments on a home being sold; and
- Income taxes paid by an employee related to reimbursed relocation costs.

Ohio Ethics Comm. Advisory Opinion No. 91-010; 2 C.F.R. 200.464.

See also Policies 395 Purchasing Policies and 395.1 Purchase of Supplies and Materials, Equipment.

148.8 Federal Grants Procurement, Monitoring, and Administration

In addition to the applicable policies set forth elsewhere in this manual, the following policies shall apply when the School expends federal grant funds to purchase property or obtain services, including but not limited to, purchases made under the School food service and nutrition programs.

- A. **Competition.** To the extent required by law, the School shall use procurement methods that provide for full, free, and open competition and comply with the federal procurement regulations. If the School solicits bids or competitive proposals to secure property or services, the School shall award the contract to the party whose bid or proposal, after considering all appropriate facts, is most advantageous to the School.

The School shall exclude from competition for procurements any contractor that develops or drafts specifications, requirements, statements of work, or invitations for bids or requests for proposals.

Unless allowed by law, the School shall not use statutorily or administratively imposed State, local, or tribal geographical preferences in the evaluation of bids or proposals.

- B. **Code of Conduct.** No employee, officer, or agent of the School shall participate in selecting, awarding, or administering a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. A conflict arises when the employee, officer, or agent, a member of his/her family, his/her partner, or the employer or prospective employer of any of the above-mentioned individuals has a financial or other interest or a tangible personal benefit from the company selected to be awarded the procurement contract.

No employee, officer, or agent of the School may solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. Any gratuities, favors, or anything of monetary value includes money and every other thing of value, meaning having more than a de minimis or nominal worth.

All employees, officers, or agents of the School must disclose in writing any potential conflicts of interest, whether real or apparent, to the School prior to participation in the selection, award, or administration of a contract supported by a federal award.

The School shall not conduct any procurement action involving a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, if the School would be unable or appear to be unable to be impartial in that procurement action.

Any employee, officer, or agent of the School found to have violated this Code of Conduct or any other applicable ethics laws or regulations will be immediately excluded from further participation in the selection, award, or administration of the contract supported by a federal award and may be subject to disciplinary actions, up to and including termination. The School shall promptly report any violation of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting a federal award to the awarding federal agency and specify any corrective action taken by the School.

Nothing in this policy shall be read to alter the obligations and restrictions on public officials

pursuant to Ohio Revised Code Chapters 3314 and 102, and Section 2921.42-.44 as applicable to community schools.

C. Procurement Procedures. To the extent required by law:

1. The School shall review any proposed procurement to avoid purchasing unnecessary property or services. The School shall avoid purchasing duplicative items.
2. Before acquiring an item, the School shall compare the advantages of leasing and purchasing property, purchasing surplus property, or sharing services where permitted by law in order to determine the most economical approach. The School shall also consider consolidation or breaking out procurements to obtain more economical purchases.
3. Prior to accepting bids or proposals, the School shall make independent estimates of cost and price. The School shall conduct a cost or price analysis in connection with every procurement transaction and procurement contract modification, including those over the Simplified Acquisition Threshold. This shall include making independent estimates before receiving bids or proposals.
4. The School shall ensure that its solicitations for goods and services contain clear and accurate descriptions and technical requirements of the goods and services sought, all factors to be used in evaluating bids or proposals, and provide any other information required under the applicable federal regulations. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The School shall not require brand name products unless the brand name is specified as a means to define the performance or other salient requirements of procurement.
5. The School shall attempt to ensure that the parties with which it contracts are responsible and capable of fulfilling the terms and conditions of the contract. The School shall give consideration to the contractor's integrity, compliance with public policy, record of past performance, and financial and technical resources.
6. The School shall only use time and material type contracts after a determination that no other contract is suitable and, if a contract includes a ceiling price, the contract must specify that the contractor exceeds the ceiling at its own risk.
7. The School shall create and maintain records that document the procurement process that the School followed in each procurement transaction, including the rationale for utilizing the selected procurement method, the selection of contract type, the basis for awarding or rejecting the contract, the justification for lack of competition if competitive bids or proposals are not sought, and the basis for the award cost or price.
8. The School shall make its procurement records available for review upon request by the

awarding federal agency or pass-through entity.

9. Before deciding to use grant funds to host or attend a meeting or conference, the School shall ensure that the meeting or conference is (a) consistent with the School's approved grant application, (b) necessary to achieve the goals and objectives of the grant, and (c) for purposes of disseminating technical information, and (d) that the School has used only the grant funds necessary to accomplish legitimate meeting and conference business.
 10. Whenever practicable, the School shall utilize lower cost alternatives in lieu of attending meetings or conferences.
 11. When issuing statements, press releases, requests for proposals, bid solicitations, and other documents relating to the use of federal grant funds for procurement purposes, the School shall state the percentage of the total cost funded by federal money, the dollar amount of federal funds available for the project or program, and the percentage and dollar amount of the total cost of the project or program financed by non-governmental sources.
 12. The School shall comply with the Buy American provision in 7 CFR Parts 210 and 220 for all solicitations and contracts that involve the purchase of food. The School must ensure that such solicitation and contract language includes the requirement for domestic agricultural commodities and products to the maximum extent practicable, and must retain records documenting any exceptions. The School will include a requirement for certifying the domestic percentage of the agricultural food component of commodities and products, and will monitor contractor compliance.
 13. The Principal and Treasurer, working in conjunction, or their designee shall be responsible for determining a relevant dollar threshold; crafting all solicitations, which shall include "Buy American" provisions and small-business/minority-owned business/women enterprise language; determining the appropriate method of procurement; obtaining quotes, bids or proposals.
- D. Contract Provisions. Procurement contracts shall, at minimum, include the terms and conditions that are required by the applicable federal procurement regulations, including all necessary terms as required by the Trafficking Victims Protection Act of 2000 (TVPA). To the extent required by law, the School shall require that the person awarded a contract satisfy the bonding requirements set forth in the applicable federal regulations and shall comply with the TVPA and its corresponding regulations.
- E. Contract Administration. The School shall delegate to one or more school employee the responsibility for administering all procurement contracts and ensuring that the party awarded the contract satisfies the terms, conditions, and specifications of the procurement contract or purchase order.
- F. Small/Minority/Women Businesses. The School shall take affirmative steps to contract with small businesses, minority-owned firms, and women's business enterprises when possible.

The School shall also require a contractor, if it subcontracts, to take affirmative steps to contract with small businesses, minority-owned firms, and women's business enterprises when possible.

- G. **Dispute Resolution.** Any issues related to the procurement contract and administrative procedures, including source evaluation, protests, disputes, and claims, will be resolved according to the following dispute resolution procedures, and the School will disclose information regarding the dispute to the appropriate federal officials. Any grievant must file a written complaint requesting an opportunity to be heard by the Governing Board or the Board's designee. The Board or its designee will review any information presented and provide a written decision within a reasonable time. If the grievant is not satisfied with this decision, the matter shall be submitted to a qualified mediator for mediation. The parties will make every attempt to resolve such disputes through mediation and shall equally split all fees or costs of any third party mediator.

If the School suspects or determines that the contractor has likely violated local, state, or federal law, the School will refer the matter to the proper authority having jurisdiction over the matter.

- H. **Time and Materials Contracts.** The School may use a contract whose cost to the School is the sum of the Actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit, but only:

1. After a determination that no other contract is suitable; and
2. If the contract includes a ceiling price that the contractor exceeds at its own risk.

- I. **Debarred, Suspended, or Ineligible Contractor.** The School shall not award contract to parties that have been debarred, suspended, or otherwise excluded from or are ineligible for participation in Federal assistance programs and activities pursuant to the federal System for Award Management available at www.sam.gov.

The school shall verify that the contracting party is not excluded or disqualified by checking the federal system for award management, collecting a certification from the contracting party, or adding a clause or condition to the covered transaction with the contracting party.

- J. **Federal Grant Administration.** The School shall ensure that these procedures are followed with respect to all federal grant applications submitted by the School and all federal grants that are awarded to the School.

1. **Monitoring Grant Applications.** The School shall delegate to one or more persons the responsibility for monitoring all pending federal grant applications, and that person or persons shall provide the Board with a report on the status of all federal grant applications at each regularly scheduled Board meeting.
2. **Monitoring Grant Expenditures.** The School shall delegate to one or more persons the

responsibility for monitoring federal grant expenditures, and that person or persons shall provide the Board with a report on the expenditures made from each federal grant at each regularly scheduled Board meeting.

3. **Final Expenditure Reports.** The School shall delegate to one or more persons the responsibility for reviewing all final expenditure reports for each federal grant that the School was awarded, reconciling the report(s) with the School's financial records, and ensuring that the final expenditure report for each federal grant is complete and accurate.
4. **Maintenance of Procurement Records.** The Treasurer or his or her designee shall be responsible for maintaining records sufficient to detail the history of all procurements, including small purchases. For example, solicitation documentation and responses, records of the evaluation process, records of the rationale for the method of procurement, selection of contract type, contractor selection or rejection, the basis for the contract price, the contract and any amendments or modifications, and supporting documentation such as receipts or invoices.

2 C.F.R. 200; 2 C.F.R. 175.15; 7 C.F.R. 210; 7 C.F.R. 220.

See Appendix 148.8-A Methods of Procurement Using Federal Grant Funds, Appendix 148.8-B Procurement Procedure for Soliciting Small/ Minority/ Women Owned Businesses and Labor Surplus Firms, Appendix 148.8-C Child Nutrition Programs Procurement. See also Policy 114 Ethics and Conflicts Policy, Policy 148.2 Fixed Asset Policy/Title I and Federal Grant Assets Policy, Policy 149 Use of Cellular Telephones and Other Wireless Technologies, and Policy 205 Program Assessment.

148.9 Investments

It is the policy of the Board to invest public funds, gifts, donations, or other monetary assets in a manner that will provide the investment return with the maximum security, safety, and preservation of principal, while meeting any cash flow demands of the School. Investments shall be made with the judgment and care that a reasonable person of prudence would exercise in the management of his/her own affairs.

The fiscal officer, in consultation with the Finance Committee of the Board, if any, shall inform the Board of the degree of risk, potential and likely returns, and security and safety of an investment. If the investment is a gift or donation and is already invested in a particular manner, the fiscal officer and/or Finance Committee shall review the investment and report to the Board a recommendation as to whether to accept, re-invest, alter, sell, or otherwise manage the investment. The fiscal officer shall inform the Finance Committee and the Board in a timely manner about any adverse development in an investment.

The fiscal officer is the investment officer of the School and is charged with the responsibility for the purchase and sale of investments and the carrying out of this investment policy. Acting in

accordance with this policy and adherence to the prudent personal standard expressed in this policy shall relieve the fiscal officer of personal responsibility.

148.10 Cost Principles and Financial Management for Use of Federal Funds

Federal grant awards will be administered efficiently and effectively through the application of sound management practices consistent with federal, state, and local laws, including the federal Uniform Grant Guidance, and any underlying grant agreements.

Financial Management

Grant funds must be managed in compliance with all applicable federal, state and local laws and rules as well as the terms of any federal grant award.

The School shall do all of the following:

1. Identify in its accounts all federal award funds received and expended and shall specify the federal program under which those awards were received. Whenever applicable information is available, accounts must include the Catalog of Federal Domestic Assistance ("CFDA") title and number, the federal award identification number and year, the name of the awarding federal agency, and the name of the pass-through entity.
2. Make accurate, current and complete disclosures of the financial results of each federal grant award as required by the terms the award.
3. Maintain records that adequately identify the source and application of funds used for federally funded activities. Records must contain information about the awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and shall be supported by source documentation.
4. Exercise control over and accountability for all funds, property and other assets purchased with federal funds. All assets shall be safeguarded and the School shall assure that they are used only for authorized purposes.
5. Regularly compare expenditures with budget amounts for each federal award.

Cost Principles

All costs must conform to any limitations or exclusions set forth in the federal award. Costs must be accorded consistent treatment. The School shall only assign a cost to a federal award as a direct cost when no other cost incurred for the same purpose in like circumstances has been allocated as an indirect cost. Costs shall not be included to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.

Costs shall be determined in accordance with generally accepted accounting principles ("GAAP") and shall be consistent with policies and procedures that apply uniformly to both federally-financed and non-federally financed activities.

All costs must be adequately documented and shall be necessary, reasonable and allocable to the performance and administration of the relevant federal award. A cost must be allocable to a particular federal award or other cost objective if the goods or services in accordance with relative benefits received.

Costs must be reasonable in both the nature and amount. The following shall be considered when to determine if a cost is reasonable:

1. Whether the cost is a type recognized as ordinary and necessary for the School's operation or for the proper and efficient performance of the federal award;
2. Applicable restraints imposed on the cost, including sound business practices, arm's-length bargaining, relevant federal and state laws and rules, and terms and conditions of the awards;
3. Market prices for comparable goods and services for the geographical area;
4. Whether individuals authorizing the cost acted prudently when considering the costs; and
5. Whether the cost amounts to a significant deviation from established School practices that may unjustifiably increase costs.

Payments

Methods of payments utilized by the School must minimize the time elapsing between the transfers of funds to and from vendors. Any funds drawn in advance must be as close in time to the actual related expenditure as feasible.

Compensation

Employee or contractor compensation, including wages, salaries and fringe benefits, shall be permitted to the extent that:

1. The rate of compensation is reasonably consistent with (a) compensation paid for similar work in other activities by School employees or contractors, if any, or (b) compensation for similar work in the labor market; and
2. Compensation is supported by records that accurately reflect the work performed.

The School shall comply with all requirements to document the time and effort of personnel whose compensation is funded in whole or in part using federal grant funds. Reports must provide reasonable assurances that personnel charges are accurate, allowable and properly allocated. Time and effort reports shall be maintained by the School and shall comply with the School's established accounting practices.

Travel payment and reimbursement provided from federal funds must include documentation that demonstrates that the participation of the individual is necessary to the federal award and the costs are reasonable and consistent with the School's policies.

Uniform Grant Guidance, 2 C.F.R. 200 et seq.; 2 C.F.R. 200.302; 2 C.F.R. 200.305; 2 C.F.R. 200.430; 2 C.F.R. 200.431.

See also Policy 148.2 Fixed Asset Policy/ Title I and Federal Grant Asset Policy and Policy 148.8 Federal Grants Procurement, Monitoring, and Administration.

148.1-A

Procedure on Overpayment to Vendors

This procedure outlines the means by which the School may collect any overpayments to vendors. For the purposes of this policy, an "overpayment" shall only refer to school funds paid to a vendor to which the vendor is barred from receiving pursuant to the terms of its contract. Subject to the plain meaning of the contractual terms involved, the intentions of the parties, and clear provisions in state law, an overpayment under contracts providing for fees based on a percentage of state funds "received" by the School will not occur in the event of a subsequent reduction in state funds based on a full-time equivalency review, a finding for recovery, or any fine, penalty, or attempt to recover a portion of state funds levied by a state or federal agency, unless the contract between the School and the vendor specifically provides otherwise. The School may specify further the meaning of the word "received" through negotiations with vendors and/or upon renewal of any contracts based on a percentage of revenues of the School, including but not limited to its community school contract, operator contract(s), or lease(s).

In the event of an overpayment, the School's Superintendent or Fiscal Officer will contact the vendor directly to negotiate repayment. If not addressed in the relevant contract, the default payment will be as follows:

- If less than \$50,000, one year via monthly payments.
- If more than \$50,000, two years via monthly payments.

The Superintendent may agree to a shorter or longer, or more or less frequent, repayment schedule in consultation with the Fiscal Officer of the School. In the event the vendor does not agree to repay any overpaid funds, the Superintendent should contact legal counsel to determine whether (1) such overpaid funds may be withheld from future payments to the vendor, (2) legal action may be necessary, and/or (3) there are any other options for collection.

Appendix 148.8-A

Methods of Procurement Using Federal Grant Funds

In accordance with applicable federal law, the School shall use the following methods of procurement to expend federal funds:

- A. **Micro-Purchase**: This method of procurement shall be appropriate for purchases where the aggregate dollar amount does not exceed \$10,000.00, or such amount as may be set by the Federal Acquisition Regulation. When practicable, the School shall distribute micro-purchases equitably among qualified suppliers, including small businesses and minority and women owned enterprises.
- B. **Small Purchase**: This method of procurement shall be appropriate for purchases in excess of \$10,000.00, but less than the federal Simplified Acquisition Threshold, which currently is \$250,000.00. When making small purchases, the School shall obtain price or rate quotes from an adequate number of sources.
- C. **Sealed Bids**: This method of procurement shall be appropriate for purchases over the Simplified Acquisition Threshold, or \$250,000.00, when: (1) a complete, adequate, and realistic specification or description of goods or services is available; (2) at least two responsible bidders are available and willing to compete for the business; (3) selection will be made principally on price; and (4) a firm fixed price contract will be awarded. The School shall award the fixed price (lump sum or unit price) to the responsible bidder who conformed to all material terms and is the lowest in price.
- D. **Competitive Proposals**: This method of procurement shall be appropriate for purchases over the Simplified Acquisition Threshold, or \$250,000.00, that require a formal solicitation and fixed-price or cost-reimbursement contracts. The School shall award contracts to a responsible vendor whose proposal is most advantageous to the School and is used when sealed bids are not appropriate, for reasons not limited to circumstances where the lowest price is not a sufficient deciding factor.

Price alone is not the sole basis for award, but remains the primary consideration when awarding a contract.

Noncompetitive Proposals or Sole Source Solicitations: This method of procurement is only appropriate under limited circumstances and shall be used by the School sparingly. Sole source solicitation may be appropriate when an item is available only from one source, when a public emergency does not allow for the time of the competitive proposal process, or when a number of attempts at a competitive bidding process fail.

Appendix 148.8-B

Procurement Procedure for Soliciting Small/ Minority/ Women Owned Businesses and Labor Surplus Firms

The School will take affirmative steps to insure that small businesses, minority-owned firms, women's business enterprises, and labor surplus firms are used whenever possible when using federal grant funds to procure property or obtain services. Affirmative steps include all of the following:

1. Placing qualified small businesses, minority-owned firms, and women's business enterprises on solicitation lists and soliciting them whenever they are potential sources for goods or services;
2. Dividing total procurement requirements into smaller tasks or quantities when economically feasible to permit the maximum participation of small businesses, minority-owned firms, and women's business enterprises;
3. If reasonably calculated to meet delivery requirements, establishing delivery schedules that encourage participation by small businesses, minority-owned firms, and women's business enterprises; and
4. If available and appropriate, seeking assistance from the Small Business Administration and Minority Business Development Agency of the Department of Commerce to insure participation of small businesses, minority-owned firms, and women's business enterprises.

The School will require contractors to take affirmative steps when seeking subcontractors as well.

2 C.F.R. 200.321.

Appendix 148.8-C

Child Nutrition Programs Procurement

The School's _____ [Food Service Operations Manager] _____ or his/her designee will be responsible for the following as it pertains to procurement for the School's child nutrition programs:

- Reviewing the procurement system to ensure compliance with applicable laws and School policies and procedures.
- Ensuring all nutrition program procurements are conducted in compliance with applicable Federal, State, and local procurement regulations, as well as in compliance with applicable laws and School policies and procedures.
- Making purchasing decisions, signing documentation, and confirming a review and the approval of the purchase of the goods, products, and/or services.
- Following any and all applicable Ohio Department of Education procurement checklists.
- Evaluation of the procurement needs and forecasting the amounts to be purchased so that the correct method of procurement will be followed.
- Performing a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold, including modifications.
- Maintaining all procurement documentation, including but not limited to documentation of all reasoning, records of the purchase, name of vendor/contractor, price, and the written specifications, as well as documentation that the actual product was received.
- Including the Buy American Provision language in the solicitation/contract and assuring that food purchased meets the Buy American Provision.
- Managing all solicitations, securing all bids or proposals, and forming and oversight of contracts.
- For sealed bids and competitive proposals, as applicable:
 - Ensuring that all bids will be opened at the time and place prescribed in the invitation for bids, and that all bids are publicly advertised and solicited from an adequate number of known suppliers who all receive the same information.
 - Advertising for all purchases over the most restrictive simplified acquisition threshold to publicize the intent to purchase needed items. The announcement of the Invitation for Bids or Request for Proposal will contain a general description of items to be purchased, the deadline for submission of sealed Invitation for Bids and Request for Proposals, and the address where complete specifications and other procurement documents may be obtained. The equal opportunity provider announcement will be placed in a location that will ensure free and open competition. The advertisement should run for an adequate length of time.
 - Ensuring that the Invitation for Bids or Request for Proposal clearly defines the purchase conditions and includes required procurement and program clauses.

- **Reviewing the procedures conducted to be certain all requirements for using noncompetitive proposals are met, and keeping documentation of records to fully explain the decision to use noncompetitive proposals.**

EXHIBIT 2

BLENDING LEARNING

Blended Learning

Townsend Community School (“Townsend”) and Margareta Local School District (“Margareta”) agreed that Townsend may implement the blended learning model as described in this document (“Blended Program”). Any substantive changes to the Blended Program require formal modification of this document.

Townsend shall comply with the Settlement Agreement¹ and all legal requirements for blended learning programs, including those pertaining to attendance and use of electronic curricular materials. Noncompliance is subject to intervention by Margareta up to and including suspension or termination under Chapter 3314 of the Revised Code and the sponsorship contract between Townsend and Margareta.

Townsend agrees to comply with reasonable requests to verify that its Blended Program complies with the Settlement Agreement and all legal requirements for blended learning programs.

The Blended Program does not preclude students from engaging in other recognized learning opportunities, which include but are not limited to credit flexibility or college credit plus.

a. An indication of what blended learning models will be used.

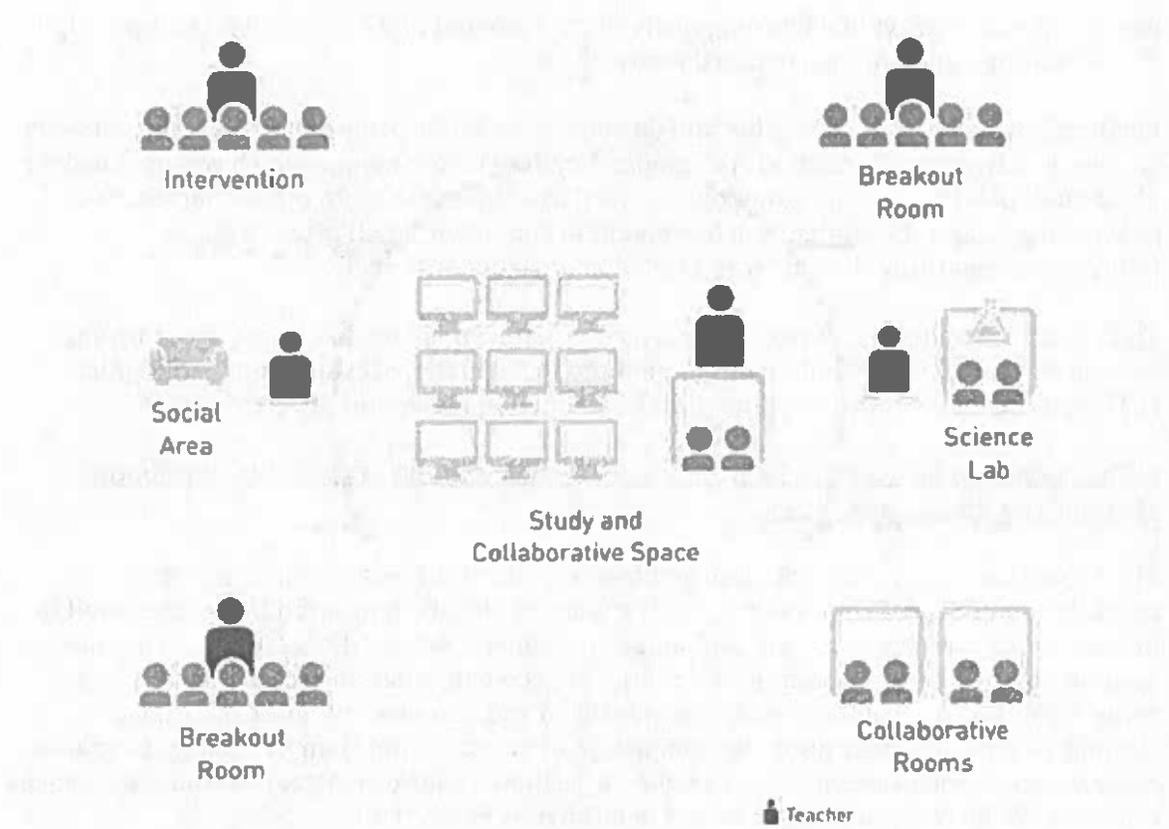
Townsend’s Blended Program will be based on a “flex model,” a recognized blended learning model.² Townsend’s Flex Model lets students move on fluid schedules among learning activities according to their needs. Students will utilize online materials through the Virtual Learning Academy (“VLA”), which comprise a majority of their learning opportunities—serving as the “backbone” of their learning experience.

Teachers provide support and instruction on a flexible, as-needed basis in person or remotely. Students therefore have significant flexibility over learning.

Students will be educated primarily in a supervised physical location. This means student will be at Townsend’s Facility, or another approved location, for a majority of the school year and for a minimum of thirteen (13) hours per week. Students will move between learning environments on an as needed basis with the assistance of other students and on-site staff. Townsend’s Facility provides options for individual or group intervention, breakout rooms, and collaborative space, which are recognized learning opportunities within the flex model.

¹ Settlement Agreement refers to the Settlement Agreement executed by Townsend and Margareta on October 1, 2020.

² An overview of flex models may be accessed at blendedlearning.org.



(Diagram courtesy of blendedlearning.org). Efforts will be made to facilitate group learning opportunities. Townsend will work to coordinate enrollment into specific subjects and preferred scheduling of on-site attendance to encourage greater collaboration with peers and opportunities for group lessons despite the individualized structure of the flex model.

Staff interactions with students will be guided through instructional and noninstructional guidance and best practices (attached). Such interactions will occur both onsite and offsite to ensure continued engagement.

b. A description of how student instructional needs will be determined and documented.

Student instructional needs will be determined and documented as follows.

Upon enrollment, student needs will be determined from the student's transfer records; i.e., credits earned, prior testing scores, profiles, etc. All records are kept in the student's cumulative file, and transfer credits and prior history are recorded in DASL.

Further, Townsend staff record communications with students into the students' files regarding progress, access, and other relevant issues pertaining to their instructional

needs. Files and individual learning plans (ILPs)³ are updated on a regular basis pursuant to instructional and noninstructional interactions.

Further, Townsend will determine and document academic progress through the students' success in advancing through VLA's competency-based curriculum, which requires mastery of material before a student can move forward in a subject or on to other courses. Such conversations and the student's achievement in coursework will provide ample information regarding the students' individual instructional needs.

To the extent applicable, Townsend will further determine and document needs through Section 504 and IDEA including but not limited to evaluations, evaluation team reports (ETRs), individual education plans (IEPs), Section 504 Plans, and progress reports.

c. The method to be used for determining competency, granting credit, and promoting students to a higher grade level.

The School uses the VLA curriculum and feedback from student performance when assessing subject area competence. Each student is closely monitored by licensed staff to be certain they were given their courses at the proper level. Credit is granted when the student demonstrates mastery in the course by receiving a passing score on every exam given. The VLA curriculum is assessment focused and assesses student performance through regular intervals upon the completion of units. Rather than averaging the grades received on all such assessments, the VLA curriculum requires mastery of content for each unit to move forward in the course and to ultimately earn credit.

Grade levels are based on credits earned: a) 0-4 credits earned=grade 9; b) 5-9 credits=grade 10; c) 10-14 credits=grade 11; and d) 15-credits required=grade 12. Grade 13 is assigned to students who've earned all credits required, but have not yet passed the required State tests.

d. The school's attendance requirements, including how the school document participation in learning opportunities.

Students participating in blended learning must comply with Board-approved procedure 251-D, Attendance for Blended Learning Courses. Students will attend the Townsend Facility, or other approved location, for a minimum of 13 hours per week. Student participation in learning opportunities will be recorded primarily through the VLA system and in accordance with the Ohio Department of Education's FTE Review Manual. On-site attendance will be tracked through sign-in/sign-out data at the facility.

³ The School develops ILPs in compliance with requirements set forth in O.A.C. 3301-102-10(A)(2) to identify student strengths, preferences, and goals as assess student performance. ILPs serve as a valuable tool for the School when working with its at-risk students and keep staff informed of student needs.

e. A statement describing how student progress will be monitored.

All exam grades are recorded in DASL, tracking progress in each course. Further, all students will be assessed through required NWEA MAP to track growth in reading and math as required by the Ohio Department of Education. Teachers will utilize information gained from instructional and noninstructional interactions and update student plans based on such information.

f. A statement describing how private student data will be protected.

Private student data is kept secure through password protected accounts over an encrypted connection (https) in the VLA platform. Additionally, the School's student information system is now DASL, hosted through NOECA, the Northern Ohio Educational Computer Association.

All paper-based documents are kept in the student's individual work file in a secure location.

g. A description of the professional development activities that will be offered to teachers.

Professional development is offered on scheduled staff in-service days. Staff is also encouraged to attend professional development webinars, seminars, etc., that pertain to their assignment and to alternative and/or blended learning models. Staff will be updated on relevant professional opportunities as deemed appropriate by administration.

The School will partner with VLA and other blended or online providers to ensure teachers receive robust training regarding the online curriculum and the expectations for instructing and supporting students through the blended model. Further training will highlight resources available to students and staff to enhance instruction and support.

251-D Attendance for Blended Learning Courses

In addition to standard attendance policies and procedures, blended learning students may be subject to additional physical attendance and tracking requirements. Students who are participating in a blended learning course shall submit individual time logs documenting their participation in learning opportunities (see Attendance Procedure) and/or will be subject to tracking of student participation through an online platform when working on the computer. Students are expected to participate in at least 26 hours of learning opportunities per week, which must be documented through signed and submitted logs or tracked hours through online platform and justified by completed work. *In addition, blended learning students shall physically attend the School's facility in Castalia, Ohio or another location approved by the sponsor for over thirteen hours per full school week.* The School will track physical attendance through the School's attendance kiosks, and students will document such hours on individual time logs.

Failure to submit logs or completed exams for a given week, failure to complete 26 hours of total learning opportunities, or failure to attend the School's facility or an approved location for over thirteen hours without legitimate excuse under the School's attendance policy may result in an unexcused absence for the deficient number of hours. Such unexcused absences may trigger additional action by the School for truancy or automatic withdrawal as permitted or required by School policies or procedures.

EXHIBIT 3
HEALTH AND OTHER BENEFITS

**Townsend Community School
Benefits Continuation Plan
Exhibit B**

Holidays: Good Friday and Memorial Day

Retirement: Board will pay the School's share of SERS and will pay 100% of the consultant's Contribution to SERS (Pick-up on the Pick-up) through the remainder of the Contract.

Life Insurance: Board shall pay for a \$25,000 term life insurance policy.

Medical Insurance: Board shall make available medical insurance coverage throughout the life of the contract, the consultant will pay the continued employee share of the premiums:
Single \$50.00, Consultant/Spouse \$100.00, Consultant/Children \$120.00 and Family \$120.00 per month. The board will pay the remaining balance for the consultant.

Dental Insurance: Board shall make available dental insurance coverage throughout the term of the contract, the board will pay 100% of the monthly premium; a plan design document shall be provided for the consultant.

Vision Insurance: Board shall make available vision insurance coverage throughout the term of the contract, the board will pay 100% of the monthly premium; a plan design document shall be provided for the consultant.

EXHIBIT 4

INSURANCE

COVERAGE DOCUMENT DECLARATIONS

Contract Number: SD-022D

Member Name: Townsend Community School
Address: 207 Lowell St.
City: Castalia

State: OH Zip Code: 44824

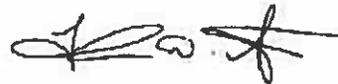
Agency Name: CF Risk & Insurance, LLC
Address: 4456 N. Abbe Road, #112
City: Sheffield

State: OH Zip Code: 44054

Inception: July 1, 2022 12:01 a.m.
Expiration: July 1, 2023 12:01 a.m.

	COVERAGES	LIMITS	MEMBER DEDUCTIBLE
I. PROPERTY			
Building & Business Personal Property Limit including Property Extensions of Coverage (attached) As Reported to SORSA; Subject to \$350,000,000 Pool Limit - any one occurrence		\$ 350,000,000	\$ -
Earth Movement per Occurrence		\$ 10,000,000	\$ 50,000
Annual Aggregate all members		\$ 10,000,000	
Flood Limit (Zone A or V Excluded)		\$ 10,000,000	\$ 50,000
Annual Aggregate all members		\$ 10,000,000	
II. EQUIPMENT BREAKDOWN (PD, BI and EE), in any one accident:			
As Reported to SORSA; Subject to \$350,000,000 Pool Limit - any one occurrence		\$ 350,000,000	\$ -
Hazardous Substance, any one accident:			
Ammonia Contamination:		Included	\$ -
Any other substance:		Included	\$ -
Water Damage, in any one accident:			
Consequential Damage, in any one accident		Included	\$ -
III. CRIME			
Employee Theft Including Faithful Performance of Duty, in any one occurrence		\$ 1,000,000	\$ 1,000
Forgery or Alteration, in any one occurrence		\$ 1,000,000	\$ 1,000
On Premises, in any one occurrence		\$ 1,000,000	\$ 1,000
In Transit, in any one occurrence		\$ 1,000,000	\$ 1,000
Money Orders and Counterfeit Money, in any one occurrence		\$ 1,000,000	\$ 1,000
Computer Crime, in any one occurrence		\$ 1,000,000	\$ 1,000
Computer Program and Electronic Data Restoration Expense, in any one occurrence		\$ 350,000	\$ 1,000
Funds Transfer Fraud, in any one occurrence		\$ 1,000,000	\$ 1,000
Social Engineering Fraud, in any one occurrence		\$ 1,000,000	\$ 1,000
Telecommunication Fraud, in any one occurrence		\$ 200,000	\$ 1,000

This Coverage Document is not binding unless signed by an authorized representative of SORSA.



Authorized Representative

PROPERTY EXTENSIONS OF COVERAGE DECLARATIONS

	Limits
Accounts Receivable	\$ 1,000,000
Arson Reward	\$ 100,000
Automobile Physical Damage - Pool Limit in any one occurrence	\$ 10,000,000
Backup of Sewers and Drains	\$ 350,000,000
Business Income, in any one occurrence	\$ 2,000,000
Ordinary Payroll: Not Covered unless specifically requested & endorsed	
Supply Chain	\$ 500,000
Civil or Military Authority 30 days	30 Days
Extended Period of Liability	90 Days
Change of Temperature/Spoilage	\$ 100,000
Data Restoration	\$ 500,000
Unnamed Property	\$ 1,000,000
Covered Property in Transit, in any one occurrence	\$ 500,000
Debris Removal	\$ 350,000,000
Electronic Data Processing Equipment Data and Media, in any one occurrence	\$ 350,000,000
Extra Expense, in any one occurrence	\$ 2,500,000
Fine Arts, in any one occurrence (Not to exceed \$10,000 per item)	\$ 750,000
Fire Department Service Charge / Fire Protective Equipment Discharge	Included
Research and Development	Policy Limit
Mobile Equipment, in any one occurrence	\$ 350,000,000
Musical Instruments, Athletic Equipment, or Band & Athletic Uniforms, in any one occurrence	\$ 350,000,000
Newly Constructed or Acquired Property, at any one building	
In any one occurrence	\$ 5,000,000
Ordinance or Law	
Loss to Undamaged Portion, in any one occurrence	Policy Limit
Demolition, in any one occurrence	Policy Limit
Increased Cost of Construction, in any one occurrence	Policy Limit
Outdoor Property including debris Removal, in any one occurrence	Policy Limit
Trees, shrubs and plants (maximum per item)	\$ 1,000
Lawn limit (per occurrence)	\$ 2,000
Personal effects of students/employees for perils except theft	
Student	\$ 1,500
Employee	\$ 3,000
In any one occurrence	\$ 100,000
Contaminant Cleanup and Removal	Policy Limit
Preservation of Property	Policy Limit
Protection of Property	Policy Limit
Errors and Omissions, in any one occurrence	\$ 2,500,000
Off Premise Service Interruption Property and Business income including Boiler and Machinery	\$ 500,000
Valuable Papers & Records	\$ 1,000,000
Terrorism	\$ 350,000,000

COVERAGE DOCUMENT DECLARATIONS

Contract Number: SD-022D

Member Name: Townsend Community School
Address: 207 Lowell St.
City: Castalia

State: OH

Zip Code: 44824

Agency Name: CF Risk & Insurance, LLC
Address: 4456 N. Abbe Road, #112
City: Sheffield

State: OH

Zip Code: 44054

Inception: July 1, 2022 12:01 a.m.
Expiration: July 1, 2023 12:01 a.m.

COVERAGES

	LIMIT OF LIABILITY	MEMBER DEDUCTIBLE	
I. GENERAL LIABILITY – Occurrence Form			
Bodily Injury and Property Damage per Occurrence	\$ 15,000,000	\$	-
Personal Injury/Advertising Liability per Occurrence	\$ 15,000,000	\$	-
Products/Completed Operations per Occurrence	\$ 15,000,000	\$	-
Employers Stop Gap Liability			
Bodily Injury by Accident, Each Accident	\$ 15,000,000	\$	-
Bodily Injury by Disease, Each Employee	\$ 15,000,000	\$	-
Bodily Injury by Disease, Policy Limit	\$ 15,000,000	\$	-
General Annual Aggregate	\$ 17,000,000	\$	-
Fire Legal Liability	\$ 500,000	\$	-
Medical Payments, Per Person / Each Accident	\$10,000/\$25,000	\$	-
II. EDUCATORS' LEGAL LIABILITY – Claims Made Form			
Wrongful Acts Coverage per Occurrence	\$ 15,000,000	\$	-
Wrongful Acts Coverage Aggregate	\$ 15,000,000		
Retroactive Date	12/15/2011		
Employee Benefits Liability	\$ 15,000,000	\$	-
Retroactive Date	12/15/2011		
III. AUTOMOBILE LIABILITY			
Bodily Injury & Property Damage - per Occurrence (including owned/hired/non-owned)	\$ 15,000,000	\$	-
Medical Payments, Per Person / Each Accident	\$10,000/\$25,000	\$	-
Uninsured/Underinsured Motorist	\$1,000,000 Aggregate	\$	-
Garagekeepers Legal Liability	ACV (\$500,000 maximum)	\$	-
Additional Defense Costs per Occurrence Applies to Sections I., II., and III. Above	\$ 500,000	\$	-
IV. AUTOMOBILE PHYSICAL DAMAGE			
	Actual Cash Value (ACV)*	\$	-
As Reported to SORSA; Subject to \$10,000,000 Pool Limit, in any one occurrence			
*For buses 5 years or newer, the value will be determined at Replacement Cost. For buses over 5 years, the value will be determined at the Actual Cash Value as if the bus is 5 years newer.			

This Coverage Document is not binding unless signed by an authorized representative of SORSA.



 Authorized Representative

EXHIBIT 5

CLOSING PROCEDURES

Community School: School Suspension and/or School Closing Procedures

Effective date: July 1, 2010

Updated: July 2021

Community school sponsors primarily are responsible for ensuring an orderly process is followed when a school closes, or operations are suspended.

Statutory Requirement for Closure

Under state law ([Ohio Revised Code 3314.023](#)), community school sponsors must monitor and oversee their schools' compliance with law, administrative rules and contract provisions, including requirements related to school closure. Specifically, ORC 3314.023 requires:

- *A sponsor shall provide monitoring, oversight, and technical assistance to each school that it sponsors. In order to provide monitoring, oversight, and technical assistance . . .*
- *[Sponsors] Having in place a plan of action to be undertaken in the event the community school experiences financial difficulties or closes prior to the end of a school year.*

Suspension Statute

[ORC 3314.072](#) establishes the conditions under which a school may be suspended, along with a school's procedural rights. Provisions include:

- *For any of the reasons prescribed in division (B)(1)(a) to (d) of section 3314.07 of the Revised Code, the sponsor of a community school established under this chapter may suspend the operation of the school only if it first issues to the governing authority notice of the sponsor's intent to suspend the operation of the contract. Such notice shall explain the reasons for the sponsor's intent to suspend operation of the contract and shall provide the school's governing authority with five business days to submit to the sponsor a proposal to remedy the conditions cited as reasons for the suspension.*
- *The sponsor shall promptly review any proposed remedy timely submitted by the governing authority and either approve or disapprove the remedy. If the sponsor disapproves the remedy proposed by the governing authority, if the governing authority fails to submit a proposed remedy in the manner prescribed by the sponsor, or if the governing authority fails to implement the remedy as approved by the sponsor, the sponsor may suspend operation of the school pursuant to procedures set forth in division (D) of this section.*
- *If division (B) of this section applies or if the sponsor of a community school established under this chapter decides to suspend the operation of a school as permitted in division (C)(2) of this section, the sponsor shall promptly send written notice to the governing authority stating that the operation of the school is immediately suspended, and explaining the specific reasons for the suspension. The notice shall state that the governing authority has five business days to submit a proposed remedy to the conditions cited as reasons for the suspension or face potential contract termination.*
- *Upon receipt of the notice of suspension prescribed under division (D)(1) of this section, the governing authority shall immediately notify the employees of the school and the parents of the students enrolled in the school of the suspension and the reasons therefore, and shall cease all school operations on the next business day.*

Overview

Sponsors provide and execute a plan for an orderly conclusion of a community school's operations when a community school is closed or suspended for any reasons permitted by law and/or the contract between the sponsor and the school. A school is considered closed or suspended when instruction has ceased, and the governing authority or sponsor has issued an official notice that includes the reason for and date of the school's closure or suspension. A community school also is considered closed if the Department issued a notice to a school under the state's automatic closure law, ORC 3314.35. In the case of both suspension and closure, the sponsor and an authorized representative of the governing authority complete and sign the Suspension and Closing Assurance Form. Community school sponsors make sure a community school's governing authority takes all reasonable and required actions to fully address suspension or closing responsibilities. **If a school's governing authority is no longer able or willing to fulfill its obligations to orderly closure, the school's sponsor assumes responsibility for all closure activities.** A plan for school closure is a required part of the school's contract with the sponsor. Final preparations, as outlined in the plan, should be in place prior to the last day students are in attendance.

Note:

- Suspension and closing procedures detailed in this document or the accompanying are not applicable to school mergers.
- Procedures for school closures that are the result of settlement agreements may differ based on the provisions of the settlement. Schools and sponsors should consult their legal counsel.

Sponsors must submit a Suspension and Closing Assurance Form for each suspended or closed community school. By completing this assurance, sponsors attest that all necessary notifications and actions are completed.

When possible, the final FTE review should be completed within seven business days of the school ceasing operations or within seven business days of the area coordinator's notification of the school's suspension or closing by the Department. Final FTE reviews should be completed prior to transfer of original student records to the district(s). Sponsors must monitor the school's actions to assure both the FTE review and fiscal audit are scheduled in a timely fashion. If the school fails to schedule these activities, the sponsor must step in and make the necessary arrangements.

Sponsors should begin completing the Suspension and Closing Assurance Form as soon as possible after the suspension or closure of the school.

For all suspensions and closures, an estimated timeline for suspension and closure activities must be submitted to the Office of Community Schools. For mid-year suspension or closure, the estimated timeline must be submitted to the Office of Community Schools within 10 days of notification. In the case of suspension or closure at the end of the school year, sponsors shall submit an estimated timeline for suspension or closure activities to the Office of Community Schools, via Epicenter. When submitting the first quarterly suspension and closing assurances report, please ensure Column I is filled out with estimated dates of completion. Also when submitting future quarterly suspension and closing reports, update Column I as needed.

The updated Suspension and Closing Assurance Form shall be submitted to the Office of Community Schools, quarterly, (July 1, or July 15 for newly closed schools, Oct. 1, Jan. 1 and April 1) via the Epicenter "Quarterly suspension and closing assurance reports" submission type while noting which activities are complete and identifying the date of completion for each item. Sponsors should continue to submit quarterly closing assurance reports until all items on the form is complete and the

suspension and closing assurances form is submitted via Epicenter. The quarterly submissions shall include, in the "Notes" column, a narrative explaining any delays. For items in which the sponsor believes is "non-applicable" to the school, the sponsor must provide a justification in Column H of the Suspension and Closing Assurance Form.

If refunds are generated at a later date, the sponsor shall follow the instructions in the Preparation of Itemized Financials section of the report and complete the Final Payments and Adjustments section.

**The Suspension and Closing Assurance Form
is updated quarterly until all activities are complete.
The narrative and step-by-step technical assistance document is
provided to assist sponsors in meeting their responsibilities
when one of their schools suspends operations or closes is
provided below on pages 5-15.**

Additional Resource

Additional information regarding best practices from The National Association of Charter School Authorizers is available [here](#).

Submission Instructions

Sponsors must submit the Quarterly Suspension and Closing Assurance Report and the completed Suspension and Closing Assurance Template Form for each suspended and/or closed community school. By completing the Certification tab, sponsors attest that all necessary notifications and actions are completed.

Submit the (1) Suspension and Closing Assurance Reports and the (2) completed Suspension and Closing Assurance Form with its Certification tab by uploading the files to Epicenter following the process below:

1. Log in to Epicenter at <http://epicenternow.org/>.
2. Click the Sign In link at the top of the page.
3. Enter your username and password.
4. Click Document Center.
5. On the Document Center page, click the Submission Upload button.
6. For Entity Type, select school.
7. For Submission Type, select either the Quarterly Suspension and Closing Assurance Reports or the completed Suspension and Closing Assurance Form.
8. For Entities, select the appropriate school by checking the box next to the school's name.
9. Enter required information.
10. Click Upload New File button to upload your document.
11. (Optional) Type a brief message to the reviewer.
12. Click Submit.

The Certification/Signature tab must include electronic signatures or original handwritten signatures. If printed and original signatures are obtained, the certification page must be uploaded to Epicenter along with the completed spreadsheet.

The Office of Community Schools and your consultant use Epicenter to access your submissions. Please contact your lead consultant if you have additional questions or if you are unable to view any of the information described above.

Records

Sponsors assure that all school records needed by the Ohio Department of Education, Ohio Auditor of State, U.S. Department of Education, and other interested entities are secured and available as needed during the closeout process. Records generally describe an account in permanent form, preserving knowledge or information about facts, transactions or events maintained and kept for the proper administration of the school, including student, staff, and administrative/financial information. Please note, the following categories and types of records should not be considered as the entire list of documents that might be examined during a suspension or closing procedure. Additional records may be requested during an FTE review or final audit. (Additional information is available in the Department's FTE Review Manual.)

Student Records

Student records include all educational, special education and other documents in the school's possession that relate to a student. Student records include, but are not limited to: documents normally found in permanent record folders that are necessary for reviews and audits; attendance records that detail enrollment and attendance history; grades and grade levels achieved; transcripts, courses completed and grades for each course, particularly for students enrolled in grades 9-12 and for graduates of the school; proof of residency documents that identify a student's home district; FTE Detail reports, with names and SSID numbers that can be used to match names to the FTE Detail report with randomly selected SSIDs obtained by the area coordinator; special education information and folders; and other such information that may be maintained and kept in a student permanent record folder.

Schools must retain copies of all student records necessary to complete the final FTE review and financial audit.

Staff Records

Staff records include but are not limited to: employment agreements or contracts; salary and benefits information; attendance and leave information; employee licenses; Local Professional Development Committee (LPDC) status and record of continuing education; payroll and withholding documents; and other such information that may be maintained in an employee record folder. Staff records at the school do not include records of individuals employed by the operator or contractors.

Administrative/Financial Records

Administrative/financial records include, but are not limited to: lease or rental agreement; deed if property is owned; inventories of furniture and equipment, including purchase price, source of funds for payment, date purchased and property tag number; bank and financial reports, including all financial statements created by the fiscal officer; bank statements and checks; schedule of unpaid debt detailing amount, vendor and date of obligation; invoices, receipts, vouchers and purchase orders that detail expenditures; grant records, including detail of federal and state grant awards and final expenditure reports and contracts; and other such information that may be maintained to serve as the administrative/financial records for the school.

Record Retention

Sponsors shall secure all school records (student, personnel, fiscal, etc.) prior to closing. All such records shall be maintained according to applicable records retention schedules. Records retention is governed by state and federal law and governing authority policy. Additional information regarding state requirements is [here](#). Federal records retention schedules are [here](#). Additional information is available in the Student Records section of the Suspension and Closing Assurance Template.

Community school sponsors are responsible for securing all records prior to closing and maintaining records in accordance with all applicable retention schedules.

Should you have any questions, please contact your lead consultant or the Office of Community Schools at Community.Schools@education.ohio.gov.

Please note:

- A. For each task, sponsors must indicate whether the task is applicable in column G of the Suspension and Closing Assurance Form. If the task is **not applicable**, the sponsor must provide a justification for that determination in column H.
- B. The initial quarterly suspension and closing assurance report submitted in Epicenter must include an estimated completion date for each task (see column I). Be sure to follow the dates required by law or required by this document. If needed, update the estimated completion dates on future quarterly suspension and closing reports.
- C. Quarterly suspension and closing assurance reports are due in Epicenter on or before July 1, July 15 for newly suspended or closed schools, Oct. 1, Jan. 1 and April 1. As tasks are completed, provide a completion date in Column J.
- D. The quarterly submissions shall include, in the "Notes", column K, a narrative explaining any delays.
- E. Besides the Quarterly Suspension and Closing Assurance Reports and the completed Suspension and Closing Assurance Form with its Certification tab, sponsors should submit separately to Epicenter: (1) the board resolution indicating suspension or closure, and (2) the estimated timeline for suspension and closure.

Instructions: Completing All Required Suspension/Closing tasks:

Section A: Initial Notifications

1. **Notify the Office of Community Schools (OCS) that the school is being suspended, closed or non-renewed under 3314.07(B) or for other cause, or the school has taken action to initiate closure within required timelines.**
 - a. In the case of a sponsor suspending or terminating a school's operation during the school year, notify OCS that the school is suspending or closing within 24 hours of the action.
 - b. In any other case, notify OCS of the action within 10 days.
 - c. Submit the community school's board resolution via Epicenter, including the date of suspension or closing within 10 days of the action.
2. **Notify the Area Coordinator's office to schedule the student enrollment/FTE review.**
 - a. Notify area coordinators of the school suspension or closure and schedule the final student enrollment/FTE review within three days of the action.
 - b. The school's treasurer/fiscal officer and applicable staff should familiarize themselves with the current FTE manual.
 - c. In the case of closure, non-renewal or termination for reasons other than those outlined in 3314.07(B), the sponsor shall request notice of intent with regard to continued operation from the school no later than May 15 and provide the response via Epicenter to the Office of Community Schools within three days of receipt.
3. **Notify the resident districts of students enrolled in the school, and the Auditor of State's Office of the school being suspended, closed or non-renewed; include the effective date of the suspension or closure.**
 - a. Notify the resident districts, for the students currently enrolled.
 - b. Notify the Auditor of State's office of the school suspension or closure.

4. **Notify STRS and SERS that the school is being suspended or closed.**
 - a. Notify the Ohio State Teachers Retirement System and School Employees Retirement System
 - b. Ensure STRS and SERS contributions are current and request a final reconciliation.
 - i. In the case of mid-year suspension or closure, notify retirement systems within five days of the suspension or closure notice.
 - ii. For any other case, notify retirement systems no later than May 1.

Section B: Timeline of suspension or closure process

1. **Provide an estimated timeline of the suspension or closure process that includes all information contained in the suspension and closure procedures.**
 - a. Submit via Epicenter a clear and detailed written timeline of the actions and tasks that will take place to ensure the transition of students, staff and the suspension or closing of the schools' business. Submission of the first quarterly suspension and closing assurances template with Column I (Estimated Dates of Completion) filled out can serve as the detailed written timeline required for this action item.
 - i. In the case of mid-year suspension or closure, submit an estimated timeline within 10 days of the suspension or closure.
 - ii. In the case of suspension or closure at the end of the school year, submit an estimated timeline at the time of submittal of the first quarterly suspension and closing assurances report.

Section C: Parent Notification

1. **Notification to parents of community school suspension or closure**
 - a. Notify parents that the school is suspending or closing through a formal letter from the school Governing Authority within 24 hours of action in the case of mid-year suspension or closure; no later than March 1 in the case of nonrenewal under ORC 3314.07(B); and in any other case, notify parents no later than April 15. The letter must include but not be limited to the reason for the suspension or closing of the school, sponsor contact information, options for enrolling in another community school, traditional school or nonpublic schools and contact information.
2. **Provide each parent with the location that the child's records are being delivered to.**
 - a. The notification must include, but not be limited to: address and phone number, department and contacts for the resident districts to where the records are being delivered to.
3. **Provide each parent with the contact information of the school's sponsor.**
 - a. The notification must include the contact information of the school's sponsor.
4. **Information meeting regarding educational options for students**
 - a. Notify parents of an informational meeting, the school will present education options to students for enrolling in another community school, traditional school or nonpublic schools.
 - b. Convene parents and/or guardians to discuss the school enrollment process for the regional district. If possible, representatives from the school, sponsor, resident districts, and/or community schools should be present to answer questions primarily of the school choice/enrollment for the next year.

Section D: Staff Notification

1. **Notify the teachers and staff that the school is suspended or closing.**
 - a. In the case of a mid-year suspension or closure, notify teachers and staff that the school is suspending or closing through a formal letter from the school Governing Authority within 24 hours of the action. The letter must include but not be limited to the reason for the suspension or closing of the school, and, if applicable the status of appeals or legal action. Additionally, in the case of a mid-year suspension or

closure, provide a second notification to the teachers and staff no later than 7 days after initial notice. The letter must include, 1) plans to assist students in finding new schools; 2) date of last salary check, 3) instructions on filing for unemployment benefits, 4) date of termination of employees' benefits, 5) last day of work, 6) description of any assistance the school will provide to faculty and staff to find new positions, and 7) information on where the suspension or closure plan, procedures and timeline can be found.

b. In the case of nonrenewal under ORC 3314.07(B), notify teachers and staff that the school is suspending or closing through a formal letter no later than 10 days after action is taken. The letter must include but not be limited to the reason for the closing of the school, and, if applicable the status of appeals or legal action.

i. Additionally, in case of nonrenewal under ORC 3314.07 (B), provide a second notification to the teachers and staff no later than April 1 and include items 1-7 (see a/i above).

c. In the case of nonrenewal for reasons other than ORC 3314.07(B), notify teachers and staff that the school is suspending or closing through a formal letter no later than 10 days after action is taken. The letter must include but not be limited to the reason for the closing of the school and the status of appeals or legal action.

i. Also, in case of nonrenewal for reasons other than ORC 3314.07(B), provide a second notification to the teachers and staff no later than May 1 and include items 1-7 (see a/i above).

2. Notify teachers and staff that STRS/SERS contributions are current.

a. Include language in staff letter to ensure staff that the contributions are kept current.

3. Clarify COBRA benefits and when medical benefits end.

a. In the case of mid-year suspension or closure, school employees shall be notified when benefits will end, when COBRA benefits begin and contact for assistance no later than eight days after action is taken.

b. In the case of nonrenewal under 3314.07(B) the notification, described in D.3.a., shall take place no later than April 1.

c. In all other cases, the notification shall take place no later than April 15.

4. Notify staff of the obligation to continue instruction through the date of suspension or closure.

a. Notify teachers and staff that the school is suspending or closing through a formal letter from the school Governing Authority within 24 hours of the action. The letter must reiterate their obligation to continue instruction through the date of suspension or closure.

5. Ensure each faculty member's LPDC information is current and available to the teacher.

a. Provide each faculty member, in the case of a mid-year suspension or closure, with documentation that their LPDC information is current within five days of the action.

i. In the case of nonrenewal under 3314.07(B), notify the faculty no later than April 1.

ii. In all other cases, notify the teachers no later than April 15.

6. Provide sponsor contact information to all staff.

a. See item D1 above and include in the letter to teachers and staff must the sponsor contact information.

7. Ensure all Resident Educator program documentation is current and available to affected teachers

a. In the case of mid-year suspension or closure provide each Resident Educator with documentation that

their Resident Educator program information is current within 5 days of action.

- i. In the case of non-renewal under 3314.07(B), provide documentation no later than April 1.
- ii. In all other cases, ensure the resident education program documentation is current no later April 15.

Section E: Secure all school records, property and assets.

- 1. Take control of and secure all school records, property, and assets immediately when the school is suspended or closed.**
 - a. In the case of mid-year suspension or closure, secure all records (student, administrative/financial, staff), property, and assets within 24 hours of notice of suspension or closure.
 - b. If the building's landlord seizes the facility and its contents, or when a governing authority reneges on its obligations or other unforeseen circumstances, legal action may be necessary. The sponsor must share any such circumstance with the sponsor's OCS assigned consultant as quickly as possible.
 - c. In the case of suspension or closure at the end of the school year, begin securing all records and assets immediately under the oversight of the sponsor.
 - i. The sponsor should review the status of all records and assets no later than May 1 prior to suspension or closure.
 - ii. *As a best practice, sponsors are advised to periodically review records of graduates, including lists and transcripts to ensure the school can deliver records as required by statute*

Section F: Student Records

Student records include but are not limited to: documents normally found in permanent record folders that are necessary for these reviews and audits, include attendance records that detail enrollment and attendance history; grades and grade levels achieved; transcripts, particularly for students enrolled in grades 9-12 and for graduates of the school; proof of residency documents that identify a student's home district; two reports, one with names and SSID numbers, and one with SSID numbers only; special education folders; and other such information that may be maintained and kept in a student permanent record folder.

- 1. Ensure student records are in order and transcript materials can be provided immediately**
 - a. Organize records by grade level and district of residence.
 - b. Student names and SSID must be clearly displayed.
 - c. Prepare to deliver all students records to students' districts of residence within seven days of suspension or closure.
 - i. *As a best practice, sponsors are advised to periodically review records of graduates, including lists and transcripts to ensure the school can deliver records as required by statute.*
- 2. Scan or make a copy of all CURRENTLY enrolled student's records and provide a listing by residential district.**
 - a. Maintain a list in alphabetical order of the currently enrolled students by residential district.
 - b. Scan or make a copy of each currently enrolled student's records.
 - c. Scan or make a copy of each student's record, by residential district, in alphabetical order.
 - d. The community school shall maintain copies of records necessary to conduct the FTE review and final Auditor of State audit.
- 3. Organize all withdrawn student files by district**
 - a. Maintain a list of all withdrawn students, in alphabetical order, by residential district.
 - b. Provide each withdrawn student's records, by residential district, in alphabetical order, to the residential district within seven days of suspension or closure.

4. **Organize all SPED files by district (separate from cumulative files)**
 - a. Maintain a list of all SPED student files, in alphabetical order, by residential district.
 - b. Provide each SPED student's records, by residential district, in alphabetical order, to the residential district within seven days of suspension or closure.

5. **If the school has graduated students, compile a list of the names and dates of all graduates and provide digital or hard copies of transcripts**
 - a. Maintain a list (name and SSID) of all graduated students, in alphabetical order, by residential district.
 - b. Provide each graduated student's transcript, in alphabetical order by residential district, to each residential district within seven days of suspension or closure.
 - i. *As a best practice, sponsors are advised to periodically review records of graduates, including lists and transcripts to ensure the school can deliver records as required by statute.*

6. **Have all available IEP, enrollment and attendance records available for the completion of the FTE closure review.**
 - a. In the case of mid-year suspension or closure, records should be available for review no later than seven days of suspension or closure.
 - b. In the case of suspension or closure at the conclusion of the school year, schools should be prepared for an FTE review within seven days of the last day of instruction.
 - i. *As a best practice, sponsors are recommended to review FTE review requirements with their schools annually and periodically check the condition of records necessary to complete FTE reviews.*

7. **If possible, ODE will complete student enrollment/FTE review within seven (7) days of closure or suspension and prior to student records being delivered to resident districts.**

8. **Deliver the original cumulative student records of all current, withdrawn (withdrawn during the current school year and not already delivered to the students new school), and graduates to each student's district of residence (with printed list of included students) within seven (7) business days of the school's suspension or closure and obtain a signed delivery receipt.**
 - a. Provide the district of residence with a printed list of all student records they are receiving.
 - b. Records must be boxed in alphabetical order.

 - c. Place a printed list of the student records on the outside of each box of records.
 - d. Obtain a signed delivery receipt from the residential district with the printed name and signature of the person receiving the records.
 - e. Provide the sponsor with updated list indicating the delivery information within 24 hours of delivery.
 - i. This list must include delivery verification receipts, names of individuals receiving the records, the signatures of said individuals and the date of receipt where student records were delivered.

9. **Deliver the original SPED student records to each student's district of residence (with printed list of included students) and obtain signed delivery receipt.**
 - a. Provide the district of residence with a printed list, in alphabetical order, of all SPED student records they are receiving.
 - b. Records must be boxed in alphabetical order.
 - c. Place a printed list of the SPED student records inside of each box to ensure student confidentiality.

- d. Obtain a signed delivery receipt from the residential district with the printed name and signature of the person receiving the records.
- e. Provide the sponsor with updated list indicating the delivery information within 24 hours of delivery.
 - i. This list must include delivery verification receipts, names of individuals receiving the records, the signatures of said individuals and the date of receipt where student records were delivered.

10. Deliver the student records of all withdrawn and graduates to each student's district of residence (with printed list of included students) and obtain signed delivery receipt.

- a. Provide the district of residence with a printed list of all student records they are receiving.
- b. Records must be boxed in alphabetical order.
- c. Place a printed list of the student records on the outside of each box of records.
- d. Obtain a signed delivery receipt from the residential district with the printed name, signature of the person receiving the records.
- e. Provide the sponsor with updated list indicating the delivery information within 24 hours of delivery.
 - i. This list must include delivery verification receipts, names of individuals receiving the records, the signatures of said individuals and the date of receipt where student records were delivered.

Section G: Financial Review and Notifications includes completing a review of the financial records within seven days of notice of suspension or closure.

1. Compile List of Creditors and Debtors.

- a. Compile a listing of Creditors. The list may include, but not be limited to, the following categories:
 - i. Contractors to whom the school owes payment.
 - ii. Lenders
 - iii. Mortgage holders
 - iv. Bond holders
 - v. Equipment suppliers
 - vi. Secured and unsecured creditors
 - vii. Persons or organizations who owe the school fees or credits.
 - viii. Lessees or sub-lessees of the school
 - ix. Any person or organization holding property of the school.
- b. Compile a listing of all debtors. That list may include, but not be limited to, the categories listed above under Creditors.

2. Notification to all Creditors

- a. Solicit from each creditor a final accounting of the school's accrued and unpaid debt
 - i. Compare the figures provided with the school's calculation of the debt and reconcile.
 - ii. Where possible, negotiate a settlement of debts consummated by a settlement agreement reflecting satisfaction and release of the existing obligations.
 - iii. Schools having elected 'reimbursing' status for unemployment insurance must contact the Ohio Department of Job and Family Services, Office of Unemployment Insurance Operations to determine unemployment insurance liability.

3. Notification to all Debtors

- a. Contact all debtors and request payment.
 - i. If collection efforts are unsuccessful, consider turning the debt over to a commercial debt collection agency.

- ii. All records regarding such collection or disputes by debtors regarding amounts owed must be retained.

4. Notification to vendors and termination of contracts

- a. Notify utilities, insurance, landlord, banks, bond holders, contractors, etc., of potential default date and when last payment will likely occur.
- b. Notify all contractors of school closure and cessation of operations.
- c. Retain records of past contracts and payments with proof that they were paid in full.
- d. Terminate contracts for goods and services as of the last date such goods or services will be needed.
- e. Instruct contractors to remove any contractor property from the school by a certain date (e.g., copying machines, water coolers, other rented property).
- f. Maintain telephone, gas, electric, water, insurance and directors and officer's liability insurance long enough to cover the time required for all necessary closure procedures to be complete.

5. Review of budget and cash balances to ensure funds through closure process.

- a. Review budget and current-year expenditures to date to ensure that funds are enough to operate the school through the end of the school year, if applicable.
- b. Emphasize the legal requirement to limit expenditures to only those in the approved budget, while delaying approved expenditures that might no longer be necessary until a revised budget is approved.
- c. Acknowledge that there are unique expenditures associated with school closure and that the parties will meet to identify these expenditures and funding sources.
- d. Ensure that the school continues to collect revenues included in the school's budget, if applicable.
- e. Make revisions that closure and associated expenses while prioritizing continuity of instruction. The revised budget should include funding to ensure the school's treasurer is engaged to complete the closure process.

6. Terminate Operator (EMO/CMO) Agreement

- a. Review the operator agreement and take steps needed to terminate the agreement at the end of the school year or when the charter contract expires. Actions include:
 - i. The operator should be asked for a final invoice and accounting, including an accounting of any retained school funds and the status of grant funds.
 - ii. The school and the operator should agree upon how the company will continue to provide educational services until the last day of instruction.
 - iii. The school and the operator agree when other services including business services will end.

7. Notify all funding sources, charitable contributors, grants, etc.

8. Final Reporting of all EMIS items (staff, student, and fiscal)

- a. The community school governing authority's designees (school administration, treasurer, fiscal officer, etc.) must report all necessary information regarding students, staff, financials, etc., in EMIS. Please check the EMIS Manual and reporting schedule for details.

9. Preparation of year-end financial statements

- a. The community school governing authority's treasurer or fiscal officer, or the sponsor in the absence of the governing authority, must review and prepare the itemized financials (subject to revision based on Auditor of State's final audit) to include year-end financial statements, notes to the financial statements and federal awards, if applicable. These financials should include the following items:

- i. Cash analysis (taking the previous month's recap and reconciliation of bank accounts to books) for determination of the cash balance as of the closing date.
- ii. List of investments in paper (hard copy) format.
- iii. List of all payables and indicate when a check to pay the liability clears the bank.
- iv. List of all unused checks (collect and void all unused checks).
- v. List of any petty cash.
- vi. List of bank accounts, closing the accounts once all transactions are cleared.
- vii. List of all payroll reports including taxes, retirement, or adjustments on employee contract.
- viii. Lists of all accounts receivable.
- ix. List of assets and their disposition.

10. Establish approved order of Vendors to be Paid.

- a. The community school governing authority's treasurer or fiscal officer, or the sponsor in the absence of the governing authority, must utilize only state dollars, auction proceeds, and any other non-federal dollars to pay creditors in the following order:
 - i. Retirement funds of employees of the schools, such as 401Ks.
 - ii. STRS/SERS retirement systems teachers and staff.
 - iii. Teachers and staff salaries.
 - iv. Unemployment insurance, if applicable.
 - v. Private creditors or those entities that have secured a judgment against the school, including audit preparation and audit costs.
 - vi. Any remaining funds are to be paid to the Department of Education.

Section H: Disposition of Assets

1. Establish a comprehensive Asset listing for the school by fund

- a. The community school governing authority's treasurer or fiscal officer or the sponsor in the absence of the governing authority must establish a check off list of assets including all inventory with proper USAS codes, state codes, and the price of each item and identify the source of funds; in the case of donated items follow the accounting guidance.
 - i. *NOTE: ORC 3314.0210, effective 02/01/2016, states when an operator or management company purchases furniture, computers, software, equipment or other personal property for use in the operation of a community school under this chapter with state funds that were paid to the operator or management company by the community school as payment for services rendered, such property is property of that school and is not property of the operator or management company. When a community school permanently closes and ceases its operation as a community school, any property that was acquired by the operator or management company of the school in the manner described in this section shall be distributed in accordance with division (E) of section 3314.015 and section 3314.074 of the Revised Code.*

2. Separate Identification of Federal assets valued over \$5,000

- a. Unless otherwise described below for the Public Charter Schools Program and the National School Lunch Program, all items purchased with federal funds may be sold at auction. However, for any item with a value of \$5,000 or higher, the item must be labeled on the disposition of assets record as having been purchased with federal dollars, along with the purchaser information (name of school or organization and contact).

3. Separate identification of Federal assets purchased with PCSP funds

- a. The following are the responsibility of the community school governing authority's treasurer or fiscal officer or the sponsor in the absence of the governing authority.
 - i. Public Charter School Program assets must first be offered to other community schools with requisite board resolutions consistent with the purpose of the Public Charter School Program. If there are no takers, then an auction sale must be held to dispose of the assets along with the state-funded assets.
 - ii. After the above steps have been taken, any remaining assets may be offered to any public-school district with documented board resolutions by the community school and the accepting district.
 - iii. Provide the Office of Community Schools with a written report of the property and, if available, a bill of sale. Completion within 30 days of closure.

4. Separate identification of Federal assets purchased with NSLP funds.

- a. The community school governing authority's treasurer or fiscal officer, or sponsor in the absence of the governing authority, is responsible for contacting the Office of Child Nutrition.
 - i. Cafeteria equipment purchased with funds from the National School Lunch Program can only be liquidated through written guidance issued by the Office for Child Nutrition. Contact the Office for Child Nutrition prior to proceeding with any liquidation of equipment. Liquidation should be completed within 30 days of closure.

5. Establish Fair Market Value

- a. The community school governing authority's treasurer or fiscal officer, or sponsor in the absence of the governing authority, must establish the fair market (initial and amortized) value following generally accepted business rules in a transparent manner. The Uniform Commercial Code offers guidelines for liquidating assets in a commercially reasonable manner for all state-purchased assets and federally purchased assets that have a value of less than \$5,000 (ORC 1309.627).
 - i. *Note: Essentially, the price should be at the current price in any recognized market at the time of disposition or otherwise consistent with reasonable practices among dealers in the type of property subject to disposition. The school's governing authority's capital assets policy also*
 - ii. *should be followed. If an asset has no market value and the school is planning to dispose of the asset at a public auction, the school should still place a minimal value on the item.*
 - iii. As a best practice, sponsors are advised to periodically review schedule of assets and accompanying value to ensure that records are up to date.
- b. In the case of a mid-year suspension or closure, the treasurer should complete the necessary review within seven days (7) of notice. In the case of closure at the conclusion of the school year, review should occur no later than May 1 prior to closure.

6. Designation of Individual with legal authority for payment processing

- a. The community school governing authority's treasurer or fiscal officer, or sponsor in the absence of the governing authority, must identify staff who will have legal authority for payment processes (checks, cash, credit cards, etc.) and make designation within seven days following notice of suspension/closure.

7. Board approved Disposition plan for assets

- a. The community school governing authority's treasurer or fiscal officer, or sponsor in the absence of the governing authority, must establish a disposition plan for all remaining assets. Disposition of remaining assets should be completed within 14 days of closure.

8. Notification of Public Auction

- a. The community school governing authority's treasurer or fiscal officer, or sponsor in the absence of the governing authority, must notify the Office of Community Schools and then the public media (print, media, radio) of the date, time, and location of the asset and/or property disposition auction. Notification shall take place within 30 days' notice of suspension or closure.

9. Board resolution for assets transferred to another public school at no cost.

- a. The community school governing authority's treasurer or fiscal officer, or the sponsor in the absence of the governing authority, must provide board resolutions and minutes of any assets transferred at no cost to another school. In the case of a mid-year closure, a plan for disposition of assets shall be completed within 14 days of notice or closure.

10. Identify any Ohio Facilities Construction Commission guarantees

- a. Contact the Ohio Facilities Construction Commission within seven days of notice of suspension or closure.

11. Notify the Ohio Facilities Construction Commission of the closure

- a. Contact the Ohio Facilities Construction Commission within seven days of notice of suspension or closure.

12. Offer assets acquired from public districts back to district at Fair Market Value

- a. Consistent with ORC Section 3314.051, the community school governing authority's treasurer or fiscal officer, or sponsor in the absence of the governing authority, shall offer real property acquired from a public-school district to that school district's board first at fair market value. If the district board does not accept the offer within 60 days, dispose of the property in another lawful manner.

13. Prepare documentation on the sale of assets.

- a. The community school governing authority's treasurer or fiscal officer, or sponsor in the absence of the governing authority, must track the sale of items in addition to establishing a fair market value for each item and have supporting board resolutions for donation of items to another community, other public school, or nonprofit entity.

Section I: Final Payments and Adjustments

1. Final Payments to All Vendors

- a. Determine if any portion of any funds or adjustments can be applied to satisfy any remaining debt; payables (any money owed to another).

2. Completion of Final Audit

- a. Submission of the final audit report as presented by the Ohio Auditor of State's Office.

3. Send Remaining Funds to ODE

- a. Send all the remaining portion of funds to the Ohio Department of Education, Office of Budget and School Funding for final disposition.

4. Close all Bank Accounts.

- a. Treasurer shall direct all bank accounts to be formally closed.
 - i. Remaining checks shall be destroyed.

Section J: Quarterly Reporting; Dissolving the community school; Notifying the Secretary of State and IRS

- 1. Sponsors provide quarterly reports** on the progress made of all suspension and closing procedures.
 - a. Submit this progress report via Epicenter by July 1, July 15 for newly suspended or closed schools, Oct. 1, Jan. 1, and April 1 until suspension or closure process is complete.
- 2. The governing authority adopts a resolution to dissolve the school** and indicates to whom the school assets purchased with nonpublic funds will be distributed to after all creditors have been paid.
 - a. The governing authority adopts a resolution to dissolve the school and indicates to whom the school assets purchased with nonpublic funds will be distributed to after all creditors have been paid.
 - b. Unless otherwise provided in the bylaws, the members (if any), or board, vote on the resolution to dissolve.
 - c. A nonprofit corporation is dissolved upon the effective date of its articles of dissolution.
 - d. Consult with the school's attorney for further details.
- 3. After the resolution to dissolve is authorized, dissolve the corporation** by delivering to the Secretary of State for filing articles of dissolution setting forth:
 - a. Name of the nonprofit corporation.
 - b. Address of the nonprofit corporation's principal office.
 - c. Date dissolution was authorized.
 - d. If dissolution was authorized by the directors, a statement to that effect.
 - e. If dissolution was approved by the members, a statement of the number of votes cast for the proposal to dissolve.
 - f. Additional information as the Secretary of State determines is necessary or appropriate.
- 4. Notify IRS** of the closing of the school and/or dissolution of nonprofit corporation.

Community School: School Suspension and/or School Closing Procedures
Effective Date: July 1, 2010
Updated: July 2021
Certification
The authorizer and school governing authority representative identified below certify that all steps listed above were completed, unless otherwise noted.
Community School Name:
Community School IRN:
Governing Authority Representative Name:
Governing Authority Representative Signature:
Date of GA Representative Signature:
Name of Sponsor:
Sponsor IRN:
Sponsor Representative Name:
Sponsor Representative Signature:
Date of Sponsor Signature:
The School's governing authority and the sponsor execute the Suspension or Closing Assurance Form and maintain it with copies sent to the Office of Community Schools.
Please note: The Certification/signature tab must either include electronic signatures or printed for original signatures. If printed for original signatures, the certification page must be uploaded to Epicenter along with this completed spreadsheet.

EXHIBIT 6 Performance Measures

The SCHOOL shall assess student achievement, and the success of the SCHOOL's performance shall be evaluated, according to the academic and other goals and methods of measurement described below, among others, giving due consideration to the academic achievement of students at the time they enter the SCHOOL and circumstances extrinsic to the SCHOOL that may affect the performance of the students while enrolled. These goals and methods of measurement may be augmented or modified from time to time by the SCHOOL subject to the approval of the SPONSOR.

Academic Assessment and Accountability

Assessment System

The SCHOOL shall use traditional assessment tools to determine achievement levels of individual students, independent of conventional grade-level designations. The goal is to advance each individual student to higher levels of performance in each subject area. State achievement and diagnostic tests are administered, and off-year assessment may be conducted through use of other standardized tests. Other assessment tools are utilized in order to facilitate interventions, and modifications of instruction that will enhance the success of the students. The administrative team will monitor the instructional process so that appropriate modifications occur.

Participation in Testing and Assessments

Statewide mandated achievement tests, diagnostic assessments, or other tests or assessments (including any required to determine value-added progress) will be administered as required by law. Unless exempted by law, students will be required to participate in tests and assessments applicable to them. Students who do not participate in the tests for two consecutive years can be removed from the academy.

Academic Goals and Accountability

The SCHOOL and the SPONSOR recognize that state law requires this SUCCESSOR CONTRACT to include performance standards, including but not limited to all applicable report card measures and the academic goals to be achieved and the method of measurement that will be used to determine progress toward these goals, which shall include the statewide achievement assessments. Accordingly, the PARTIES agree to the following Primary Measures and Secondary Measures.

Each academic measure/indicator is an annual metric. For purposes of renewal, the SCHOOL will meet minimum academic expectations for renewal if it Achieves Standards in Primary Measures. The SCHOOL Achieves Standards in Primary Measures if for each Primary Indicator, the SCHOOL "meets standards" or "exceeds standards" for all academic years in the Term.

The Parties recognize and agree that the SCHOOL's inability to Achieve Standards in a Primary Measure does not prohibit renewal. If the SCHOOL does not Achieve Standards, the SPONSOR may grant renewal provided the SCHOOL implements a Corrective Action Plan agreed to by the PARTIES.

Secondary Measures are considered for renewal. If the SCHOOL does not "meet" or "exceed" standards for each Secondary indicator for a majority of the years in the Term, the SPONSOR may condition Renewal on the SCHOOL implementing a Corrective Action Plan.

Primary Measures				
Primary Indicator	Exceeds Standards	Meets Standards	Does Not Meet Standards	Falls Far Below Standards
Graduation Rate (Combined).	40% and above.	12-39.9%.	2.5-11.9%.	2.49% and below.
Graduation Rate (4 year).	36% and above.	8.0-35.9%.	2.5-7.9%.	2.49% and below.
Graduation Rate (5 year).	40% and above.	12-39.9%.	2.5-11.9%.	2.49% and below.
Graduation Rate (6 year).	40% and above.	12-39.9%.	2.5-11.9%.	2.49% and below.
Graduation Rate (7 year).	40% and above.	12-39.9%.	2.5-11.9%.	2.49% and below.
Graduation Rate (8 year).	40% and above.	12-39.9%.	2.5-11.9%.	2.49% and below.
Graduation Rate (Combined) vs. All Ohio Dropout Recovery Schools.	Ranked in the top 40 th percentile in graduation rate.	Ranked in the top 40.1 st - 60 th percentile in graduation rate.	Ranked in the top 60.1 st – 80 th percentile in graduation rate.	Ranked in the bottom 20 th percentile (80 th -100 th percentile).

Secondary Measures				
Secondary Indicator	Exceeds Standards	Meets Standards	Does Not Meet Standards	Falls Far Below Standards
Achievement (High School Test Passage Rate).	50% and higher.	32-49.9%.	25-31.9%.	24.9% and below.
Gap Closing (Annual Measurable Objectives).	Exceeds standards on state report card.	Meets standards on state report card.	Does not meet standards on state report card.	N/A
Progress.	Exceeds standards on state report card.	Meets standards on state report card.	Does not meet standards on state report card.	N/A
Overall School Rating.	Exceeds standards on state report card.	Meets standards on state report card.	Does not meet standards on state report card.	N/A
Graduation Rate (4 year) vs. All Ohio Dropout Recovery Schools	Ranked in the top 40%.	Ranked in the top 40.1st - 60 th percentile in graduation rate.	Ranked in the top 59.9-80%.	Ranked 80.1% - 100%.
Graduation Rate (5 year) vs. All Ohio Dropout Recovery Schools.	Ranked in the top 40 th percentile in graduation rate.	Ranked in the top 40.1st - 60 th percentile in graduation rate.	Ranked in the top 60.1 - 80% percentile in graduation rate.	Ranked in the bottom 20 th percentile (80th- 100 th percentile).
Graduation Rate (6 year) vs. All Ohio Dropout Recovery Schools.	Ranked in the top 40 th percentile in graduation rate.	Ranked in the top 40.1st- 60 th percentile in graduation rate.	Ranked in the top 60.1 - 80% percentile in graduation rate.	Ranked in the bottom 20 th percentile (80th- 100 th percentile).
Graduation Rate (7 year) vs. All Ohio Dropout Recovery Schools.	Ranked in the top 40 th percentile in graduation rate.	Ranked in the top 40.1st - 60 th percentile in graduation rate.	Ranked in the top 60.1 - 80% percentile in graduation rate.	Ranked in the bottom 20 th percentile (80th- 100 th percentile).

Graduation Rate (8 year) vs. Similar Schools.	Ranked in the top 40 th percentile in graduation rate.	Ranked in the top 40.1 st - 60 th percentile in graduation rate.	Ranked in the top 60.1 - 80% percentile in graduation rate.	Ranked in the bottom 20 th percentile (80 th -100 th percentile).
Student Attendance.	90% attendance rate or higher.	75-89.9% attendance rate.	70-75% attendance rate.	Below 70% attendance rate.
Student Attendance – (Economically Disadvantaged).	90% attendance rate or higher.	75-89.9% attendance rate.	70-75% attendance rate.	Below 70% attendance rate.
Student Attendance – Students (Male).	90% attendance rate or higher.	75-89.9% attendance rate.	70-75% attendance rate.	Below 70% attendance rate.
Student Attendance – Students (Female).	90% attendance rate or higher.	75-89.9% attendance rate.	70-75% attendance rate.	Below 70% attendance rate.

Secondary Measures – Mission Specific

The following student measures are additional academic and nonacademic indicators of student performance based on the SCHOOL's mission.

The School will administer an annual survey to students that ask the following questions. In responding to the questions, the student should have the options: strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, and not applicable.

Secondary Indicator	Exceeds Standards	Meets Standards	Does Not Meet Standards	Falls Far Below Standards
Mission Specific: Students develop good work habits such as being responsible, on time, & disciplined.	More than 85% of students "agree" or "strongly agree" with this statement.	60-84.9% of students "agree" or "strongly agree" with this statement.	59.9-45% of students "agree" or "strongly agree" with this statement.	Less than 45% of students "agree" or "strongly agree" with this statement.
Mission Specific: Students develop values of hard work, honesty, and tolerance of others.	More than 85% of students "agree" or "strongly agree" with this statement.	60-84.9% of students "agree" or "strongly agree" with this statement.	59.9-45% of students "agree" or "strongly agree" with this statement.	Less than 45% of students "agree" or "strongly agree" with this statement.
Mission Specific: Students use technology to find, organize, and present information.	More than 85% of students "agree" or "strongly agree" with this statement.	60-84.9% of students "agree" or "strongly agree" with this statement.	59.9-45% of students "agree" or "strongly agree" with this statement.	Less than 45% of students "agree" or "strongly agree" with this statement.
Mission Specific: Students establish both personal and career goals.	More than 85% of students "agree" or "strongly agree" with this statement.	60-84.9% of students "agree" or "strongly agree" with this statement.	59.9-45% of students "agree" or "strongly agree" with this statement.	Less than 45% of students "agree" or "strongly agree" with this statement.
Satisfaction: "Would you recommend Townsend Community School."	More than 85% of students mark "yes."	60-84.9% of students mark "yes."	59.9-45 % of students mark "yes."	Less than 45% of students mark "yes."

Fiscal Performance

Auditor reports, cash flow statements, enrollment and other relevant reports shall be made available for review.

Unless the Indicator states otherwise, each indicator an annual metric/target.

Indicator	Exceeds Standards	Meets Standards	Does Not Meet Standards	Falls Far Below Standards
Cash Flow. (Annual Metric)	Cash flow is positive for the two most recent years.	Cash flow is positive for at least one of the two most recent years.	Cash flow is not positive for at least one of the two most recent years.	Cash flow is negative for the last three consecutive years.
Ratio of Assets to Liabilities. (Annual Metric)	Ratio is greater than or equal to 1.1 for at least the two most recent years.	Ratio is between 1.0 and 1.1 for at least the most recent year.	Ratio is below 1.0 for either (A) the most recent year or (B) the two most recent years out of three years.	Ratio is .9 or less (A) for the most recent year or (B) 2 of the 3 most recent years.
Enrollment: Predicted vs. Actual Enrollment. (Annual Metric)	Enrollment is within 95% of budgeted enrollment.	Enrollment is within 90-94.9% of budgeted enrollment.	Enrollment is within 85-89.9% of budgeted enrollment.	Enrollment is less than 85% of budgeted enrollment.
Results of Audits by the Auditor of State. (Annual Metric)	No findings for recovery, noncompliance citations, questioned costs, or material weaknesses.	Audit contains a finding for recovery, noncompliance citations, questioned costs, or material weaknesses, but the School resolved the issue timely.	Audit contains multiple findings for recovery, noncompliance citations, questioned costs, or material weaknesses.	Audit contains multiple findings for recovery, noncompliance citations, questioned costs, or material weaknesses for consecutive years.

Operational Performance

Unless the Indicator states otherwise, each indicator is an annual metric.

Operational Performance			
Indicator	Meets Standards	Does Not Meet Standards	Falls Far Below Standards
<p>Is the School implementing the material terms of the education program as defined in the current community school contract?</p> <p>(Annual)</p>	<p>The School implemented the material terms of the education program in all material respects and the education program in operation reflects the material terms as defined in the contract, or the school has gained approval for a modification to the material terms.</p>	<p>The School has failed to implement the program in the manner described above; that failure(s) were material, but the Board has instituted remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the sponsor.</p>	<p>The School failed to implement the program in the manner described above; the failure(s) were material and significant to the viability of the school, or regardless of the severity of the failure(s), the Board has not instituted remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the sponsor.</p>
<p>Is the school complying with applicable laws and contract measures?</p> <p>(Annual)</p>	<p>The School materially complies with applicable laws, rules, regulations, and provisions of the contract relating to education requirements, including but not limited to:</p> <ul style="list-style-type: none"> • Instructional days or minutes requirements 	<p>The School has failed to implement the program in the manner described above; that failure(s) were material, but the board has instituted remedies that have resulted in compliance or prompt and sufficient movement toward</p>	<p>The School failed to implement the program in the manner described above; the failure(s) were material and significant to the viability of the school, or regardless of the severity of the failure(s), the board has not instituted remedies that have resulted in prompt and</p>

	<ul style="list-style-type: none"> • Graduation and promotion requirements • Content standards • State assessments <p>Implementation of mandated programming as a result of state or federal funding</p>	compliance to the satisfaction of the sponsor.	sufficient movement toward compliance to the satisfaction of the sponsor.
<p>Is the school protecting the rights of students with disabilities?</p> <p>(Annual)</p>	<p>The school materially complies with applicable laws, rules, regulations, and provisions of the contract (IDEA, Section 504, and the ADA) relating to the treatment of students with identified disabilities and those suspected or having a disability, including but not limited to:</p> <ul style="list-style-type: none"> • Equitable access and opportunity to enroll • Identification and referral • Appropriate development and implementation of Individualized Education Plans and Section 504 plans 	<p>The School has failed to implement the program in the manner described above; that failure(s) were material, but the board has instituted remedies that have resulted in compliance or prompt and sufficient movement toward compliance to the satisfaction of the sponsor.</p>	<p>The School failed to implement the program in the manner described above; the failure(s) were material and significant to the viability of the school, or regardless of the severity of the failure(s), the Board has not instituted remedies that have resulted in prompt and sufficient movement toward compliance to the satisfaction of the sponsor.</p>

	<ul style="list-style-type: none"> • Operational compliance, including provision of services in the least restrictive environment and appropriate inclusion in the school's academic program, assessments, and extracurricular activities • Discipline, including due process protections, manifestation determinations, and behavioral intervention plans • Access to the school's facility and program to students in a lawful manner and consistent with students' IEPs or Section 504 plans • Appropriate use of all available, applicable funding 		
School Compliance Score (ODE Oversight of Schools)	Compliance Score 3-4	Compliance Score 1-2	Compliance Score 0

Governance Performance

Unless the Indicator states otherwise, each indicator is an annual metric.

Governance Performance

Indicator	Exceeds Standards	Meets Standards	Does Not Meet Standards	Falls Far Below Standards
<p>During the Contract's Term, did the Governing Authority understand and complete its duties?</p> <p>(Over the Term)</p>	N/A	<p>Governing Authority meetings complied with Open Meeting requirements, observed rules of order, and demonstrated appropriate levels of oversight.</p>	<p>Governing Authority meetings met two of the three: complied with Open Meeting requirements, observed rules of order, and provided appropriate levels of oversight.</p>	<p>Governing Authority meetings met one or met none of the following: complied with Open Meeting requirements, observed rules of order, and demonstrated appropriate levels of oversight.</p>
<p>Each year, the number of meetings held, where quorum is met.</p> <p>(Annual Metric)</p>	6 meetings.	5 meetings.	4 meetings.	3 meetings.
<p>Each year, did the Governing Authority participate in trainings required by law and/or Contract?</p> <p>(Annual Metric)</p>	<p>The School's Governing Authority participated in training required by law and in additional professional development and/or other training sessions.</p>	<p>The School's Governing Authority participated in training required by law.</p>	<p>The School's Governing Authority did not participate in training required by law for the most recent year, but did participate in training in the prior year.</p>	<p>The School's Governing Authority did not participate in training required by law for the two most recent years.</p>

SECOND AMENDMENT TO GROUND LEASE

Between

**BOARD OF EDUCATION OF THE MARGARETTA LOCAL SCHOOL DISTRICT, OHIO
as Landlord**

and

**TOWNSEND COMMUNITY SCHOOL
as Tenant**

Dated as of February 1, 2023

SECOND AMENDMENT TO GROUND LEASE

Between

BOARD OF EDUCATION OF THE MARGARETTA LOCAL SCHOOL DISTRICT, OHIO,
as LANDLORD

and

TOWNSEND COMMUNITY SCHOOL, as TENANT

THIS SECOND AMENDMENT TO GROUND LEASE (the "Second Amendment") is entered into as of February 1, 2023, amending the Ground Lease dated June 30, 2014 ("Original Lease") and the Amendment to Ground Lease, dated January 29, 2016 (collectively the "Amended Lease,"), by and between BOARD OF EDUCATION OF THE MARGARETTA LOCAL SCHOOL DISTRICT, OHIO, a school district and political subdivision of the state of Ohio ("Landlord"), having an office at 305 South Washington Street, Castalia, Ohio 44824, and TOWNSEND COMMUNITY SCHOOL ("Tenant"), by and through its Board of Directors (a/k/a its Governing Authority), an Ohio nonprofit corporation and public community school having an office at 209 Lowell Street, Castalia, Ohio 44824 (the capitalized terms used in this Second Amendment and not defined otherwise herein being used as defined in the Amended Lease).

RECITALS:

Landlord and Tenant wish to amend Section 4 of the Amended Lease to provide a clear schedule for payments of rent.

NOW, THEREFORE, in consideration of the foregoing and mutual covenants contained in this Second Amendment, the parties agree as follows:

1. Section 4 of the Original Agreement is hereby amended as follows:

(a) Beginning on **July 1, 2023** ~~the Commencement Date~~ and continuing thereafter on an annual basis on **August 1st** ~~the anniversary of the Commencement Date~~ throughout the Lease Term, minimum rent will be payable in monthly installments as follows:

Years	Annual	Monthly
1-10	\$2,400.00	\$200.00
	\$5,400.00	\$450.00

~~On or before year 11 of the term, and then, on or before every ten-year increment thereafter, Landlord and Tenant shall agree in writing as an addendum to this Lease, as to the amount of annual rent for the next 10 years. Provided however, that no annual rental amount for a set ten years shall increase or decrease more than 5% below or 5% above the amount of a single year's annual rent charged during the most recent 10-year incremental period.~~

Upon providing written notice to the Tenant, the foregoing minimum rent shall be increased by the same percentage by which the Consumer Price Index ("CPI") for July 1st of the year in which the amount was last calculated compared with the CPI Index for July 1st of the year in which the amount is to be calculated. The parties agree to use the Consumer Price Index for All Urban Consumers (CPI-U) U.S. city average or its successor index.¹ However, the foregoing rent shall not be decreased as a result of any adjustment, and Landlord may not adjust the rent more than once per fiscal year.

- (b) It is the purpose and intent of Landlord and Tenant that the rent shall be absolutely net to Landlord, so that this Lease shall yield, net to Landlord, the rent specified herein and that all costs, operating expenses, premiums, fees, interest, charges, expenses, reimbursements and obligations of every kind and nature whatsoever relating to the Demised Premises and the Building and Improvements thereon, as defined below, excepting only those items to be paid by Landlord as expressly provided in this Lease, which may arise or become due during or out of the term of this Lease, shall be paid or discharged by the Tenant, and that Landlord shall be indemnified and held harmless by Tenant for, from and against such costs, operating expenses, premiums, fees, interest, charges, expenses, reimbursements and obligations, and Tenant expressly covenants to pay all of the foregoing.
- (c) As used in this Lease, the term "rent" includes the basic minimum rent and any "additional rent" payable by Tenant to Landlord under this Lease. The term "additional rent" shall include all sums of money required to be paid pursuant to the terms of this Lease in addition to basic minimum rent, including without limitation Tenant's pro rata share of any common utility and maintenance expenses, including without limitation charges for water and sewer service, solid and medical waste removal, and snow removal. If such amounts or charges are not paid at the time provided in this Lease, such amounts or charges shall nevertheless be collectable as additional rent with the next installment of rent due, but this shall not be deemed to suspend or delay the payment of any amount of money or charge at the

¹ The parties may use the CPI Inflation Calculator, available at: https://www.bls.gov/data/inflation_calculator.htm

time the same becomes due and payable or limit any remedy available to Landlord on account of late payments by Tenant.

2. The Parties agree that the terms of this Second Amendment will be incorporated into the Contract between the Parties. All other terms and conditions of the Lease shall remain in full force and effect. This Second Amendment represents the entire agreement between the Parties with respect to its subject matter and shall only be amended by a signed writing.

[signature page to follow]

Executed this 30th day of March, 2023 in Erie County, Ohio.

LANDLORD:

Margaretta Local School District
Board of Education

By: 

Brian Sutorius

Its: Board President

STATE OF OHIO)
) S.S.
COUNTY OF ERIE)

Before Me, a Notary Public in and for said County and State, appeared Brian Sutorius, Board President the authorized representative of the Margaretta Local School District Board of Education, who acknowledged that he/she did sign the foregoing instrument for the purposes therein contained and that the same is his free act and deed.

In Testimony Whereof, I have set my hand and official seal, at Castalia, Ohio, this 30th day of March 2023.



MELISSA VASSALLO
Notary Public
State of Ohio
My Comm. Expires
May 2, 2027


Notary Public

LESSEE

Townsend Community School
Governing Authority

By: Jean D. Smith
Jean D. Smith

Its: Board President

STATE OF OHIO)
) S.S.
COUNTY OF ERIE)

Before Me, a Notary Public in and for said County and State, appeared Jean D. Smith, Board President the authorized representative of the Townsend Community School Governing Authority, who acknowledged that he/she did sign the foregoing instrument for the purposes therein contained and that the same is his free act and deed.

In Testimony Whereof, I have set my hand and official seal, at Castalia, Ohio, this 30th day of March 2023.



MELISSA VASSALLO
Notary Public
State of Ohio
My Comm. Expires
May 2, 2027

Melissa Vassallo
Notary Public

**RESOLUTION OF THE GOVERNING AUTHORITY OF TOWNSEND COMMUNITY
SCHOOL**

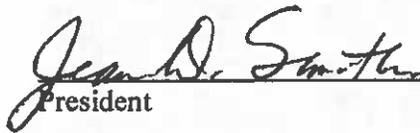
WHEREAS, the Board of Directors of Townsend Community School (Board) contracts for sponsorship with the Board of Education of Margareta Local School District (Sponsor) pursuant to Renewal Contract for Townsend Community School, as twice amended, (Sponsor Contract) in order to operate as a community school pursuant to R.C. Chapter 3314, and

WHEREAS, the Board and the Sponsor are parties to a Ground Lease dated June 30, 2014, and amended January 29, 2016 (Lease), pursuant to which the Board leases the land specified in the Lease,

NOW THEREFORE, BE IT RESOLVED at a duly called and noticed public meeting of the Board, the Board approves and adopts the following resolutions:

RESOLVED, that the Board approves and adopts the Third Amendment to the Renewal Contract for Townsend Community School and the Board President is authorized and directed to take all steps necessary and proper to execute such amendment to the Sponsor Contract, and

RESOLVED, that the Board approves and adopts the Second Amendment to the Ground Lease and the Board President is authorized and directed to take all steps necessary and proper to execute such amendment to the Lease.



President

**RESOLUTION (#22-23-61) APPROVING SECOND AMENDMENT TO GROUND
LEASE FOR TOWNSEND COMMUNITY SCHOOL**

The Board of Education of the Margareta Local School District (the "Board"), Erie County, Ohio, met in regular session on the 27th day of March, 2023, at the offices of said Board, with the following members present:

Mr. Hula, Mr. Schoenegge, Mrs. Tucker, Mr. Warner, and Mr. Sutorius.

The Treasurer advised the Board that the notice requirements of R.C. 121.22 and the implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

Mr. Hula moved the adoption of the following Resolution:

WHEREAS, the Board and the Governing Authority of Townsend Community School ("TCS") are parties to a Ground Lease and desire to amend the Ground Lease.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Education of the Margareta Local School District, Castalia, Ohio, that:

Section 1. The Board hereby approves the Second Amendment to Ground Lease for Townsend Community School, a copy of which is attached as Exhibit 1.

Section 2. The Superintendent and Treasurer are hereby authorized and directed to execute the Second Amendment to Ground Lease for Townsend Community School.

Section 3. It is hereby found and determined that all formal actions of this Board concerning and relating to the adoption of this resolution were adopted in an open meeting of the Board, and that all deliberations of this Board and any of its committees that resulted in such formal actions were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code, and any amendments thereto.

Mr. Schoenegge seconded the Motion and upon roll call, the vote resulted as follows:

Roll Call: All Ayes.

Motion passed and adopted this 27th day of March, 2023.



Brian Sutorius, President, Board of Education

ATTEST:



Diane Keegan, Treasurer

**THIRD AMENDMENT
TO THE
RENEWAL CONTRACT FOR
TOWNSEND COMMUNITY SCHOOL**

**Between
Margaretta Local School District (“Sponsor” or “Margaretta”)
AND
Townsend Community School (“Governing Authority” or “School”)**

Margaretta Local School District Board of Education (“SPONSOR”) and the Governing Authority of Townsend Community School (“Governing Authority” or “SCHOOL”) (collectively the “Parties”) are parties to a renewal Community School Contract, which has been amended by a First Amendment to the Renewal Contract, and a Second Amendment to Renewal Contract (collectively the “Contract”).

WHEREAS, the SCHOOL notified the SPONSOR of its desire to operate out of a third location in Fremont, Ohio; and

WHEREAS, R.C. 3314.05, as amended effective April 6, 2023, permits the SCHOOL to use multiple locations in the same county and in any county adjacent to the county in which the community school’s primary facility is located.

NOW THEREFORE, the parties modify the Contract effective April 6, 2023, as follows:

1. Article III, Section A, Subsection 6, Division a “Location.” of the Agreement is amended and restated as follows:

The SCHOOL is located at the facilities specified below (each facility individually, the “TCS Facility” and collectively, the “TCS Facilities”).

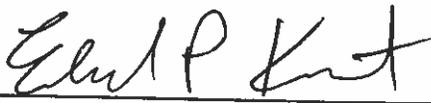
- (i) 207 Lowell Street, Castalia, Ohio 44824 (the “Castalia Learning Center”). The Castalia Learning Center is a two-story building, which contains classrooms, common areas, and office spaces for teachers and administrators. The annual costs associated with leasing the facility from Margaretta Local School District are \$2,400.00.
- (ii) 138 Market Street, Sandusky, Ohio 44870 (the “Sandusky Learning Center”). The Sandusky Learning Center is located in the second floor at the Sandusky Artisans Cooperative and contains office and classroom space for teachers and students. The annual costs associated with the lease of the facility from the Sandusky Artisans Cooperative is \$0.
- (iii) 416 West State Street, Fremont Ohio 43420 (the “Pontifex Building”). The Pontifex Building is comprised of the Large Banquet Hall Room and the Mid-Sized Conference Room located in the property owned by Pontifex Inc. The Pontifex Building contains classroom space for teachers and students. The monthly rent is \$500.00, and the annual costs associated with the lease of the facility from Pontifex Inc. is \$6,000.00.

The SCHOOL represents that it is authorized to use the Castalia Learning Center, the Sandusky Learning Center, and the Pontifex Building pursuant to R.C. 3314.05(B)(4). Accordingly, the SCHOOL may assign students in the same grade level to multiple facilities. The SCHOOL shall

not utilize other locations or facilities for educational purposes without the SPONSOR's prior written approval.

2. The SCHOOL's use of the TCS Facilities shall comply with the Settlement Agreement between the Ohio Department of Education ("ODE"), the SCHOOL, and the SPONSOR.
 - A. The SCHOOL represents and agrees that it will maintain an approved emergency management plan for each TCS Facility.
 - B. The SCHOOL represents and agrees that it will maintain compliance with the requirements of R.C. 3313.86 for each TCS Facility.
 - C. The SCHOOL represents and agrees that for each TCS Facility that it operates, the facility is primarily used for the education of K-12 students. Accordingly, the SCHOOL represents that will maintain compliance with the Settlement Agreement's requirement that "it will not operate facilities that are not primarily used for the education of K-12 students."
3. In the event that the SPONSOR or ODE determines that the use of the Castalia Learning Center, the Sandusky Learning Center, or the Pontifex Building is inconsistent with the Settlement Agreement or Section 2 of this Amendment, the SCHOOL agrees to modify said use to be consistent with the foregoing.
4. The SCHOOL will not use the Pontifex Building to instruct students until at least ten (10) business days after the SPONSOR submits opening assurances to the ODE. The SCHOOL agrees to provide all documentation and information to the SPONSOR so that the SPONSOR may complete any documentation for opening assurances. The SPONSOR agrees to complete opening assurances within a reasonable amount of time of receipt of said documentation and the approval of this Amendment.
5. The Parties agree that the terms of this Amendment will be incorporated into the Contract between the Parties. All other terms and conditions of the Contract shall remain in full force and effect. This Amendment represents the entire agreement between the Parties with respect to its subject matter and shall only be amended by a signed writing.

Margaretta Local School District

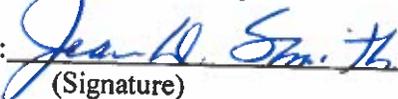
By: 
(Signature)

Its: Superintendent

with full authority to execute this Contract
for and on behalf of **Sponsor**
and with full authority to bind **Sponsor**.

Date: 3/27/23

**Governing Authority of
Townsend Community School**

By: 
(Signature)

Its: President

with full authority to executive this Contract
for and on behalf of **Governing Authority**
and with full authority to bind **Governing Authority**.

Date: 3/28/23

**RESOLUTION #22-23-62 APPROVING THIRD AMENDMENT TO THE RENEWAL
CONTRACT FOR TOWNSEND COMMUNITY SCHOOL**

The Board of Education of the Margaretta Local School District (the "Board"), Erie County, Ohio, met in regular session on the 27th day of March, 2023, at the offices of said Board, with the following members present:

Mr. Hula, Mr. Schoenegge, Mrs. Tucker, Mr. Warner, and Mr. Sutorius.

The Treasurer advised the Board that the notice requirements of R.C. 121.22 and the implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

Mr. Warner moved the adoption of the following Resolution:

WHEREAS, the Board and the Governing Authority of Townsend Community School ("TCS") are parties to a sponsor contract and desire to amend the Contract to reflect changes in TCS's facilities.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Education of the Margaretta Local School District, Castalia, Ohio, that:

Section 1. The Board hereby approves the Third Amendment to the Renewal Contract for Townsend Community School, a copy of which is attached as Exhibit 1.

Section 2. The Superintendent is hereby authorized and directed to execute the Third Amendment to the Renewal Contract for Townsend Community School.

Section 3. It is hereby found and determined that all formal actions of this Board concerning and relating to the adoption of this resolution were adopted in an open meeting of the Board, and that all deliberations of this Board and any of its committees that resulted in such formal actions were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code, and any amendments thereto.

Mrs. Tucker seconded the Motion and upon roll call, the vote resulted as follows:

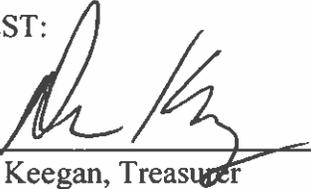
Roll Call: All Ayes.

Motion passed and adopted this 27th day of March, 2023.



Brian Sutorius, President, Board of Education

ATTEST:



Diane Keegan, Treasurer

RESOLUTION OF THE GOVERNING AUTHORITY OF TOWNSEND COMMUNITY SCHOOL

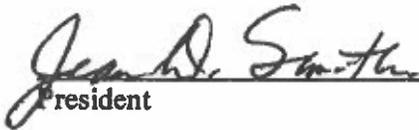
WHEREAS, the Board of Directors of Townsend Community School (Board) contracts for sponsorship with the Board of Education of Margareta Local School District (Sponsor) pursuant to Renewal Contract for Townsend Community School, as twice amended, (Sponsor Contract) in order to operate as a community school pursuant to R.C. Chapter 3314, and

WHEREAS, the Board and the Sponsor are parties to a Ground Lease dated June 30, 2014, and amended January 29, 2016 (Lease), pursuant to which the Board leases the land specified in the Lease,

NOW THEREFORE, BE IT RESOLVED at a duly called and noticed public meeting of the Board, the Board approves and adopts the following resolutions:

RESOLVED, that the Board approves and adopts the Third Amendment to the Renewal Contract for Townsend Community School and the Board President is authorized and directed to take all steps necessary and proper to execute such amendment to the Sponsor Contract, and

RESOLVED, that the Board approves and adopts the Second Amendment to the Ground Lease and the Board President is authorized and directed to take all steps necessary and proper to execute such amendment to the Lease.



President