

EXHIBIT
G422

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IRS EO Classification
Mail Code 4910DAL
1100 Commerce Street
Dallas, TX 75242-1198

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To Whom It May Concern:

Pro CA (Columbus Academy) Coalition is a pro-freedom of speech parent advocacy group formed to promote academic excellence and freedom of expression. We're submitting this supporting information and documentation for our complaint to the Internal Revenue Service regarding the activities of The Columbus Academy ("Academy"), a tax-exempt organization.

Form 13909 is enclosed with this letter.

Summary

The Academy received recognition of exemption under Section 501(c)(3) of the Internal Revenue Code in April 1938.

The Academy was founded by J. L. Hamill in 1911 in Bexley, Ohio and incorporated in the State of Ohio in 1923 "for the purpose of establishing, maintaining and conducting an institution of learning, in all departments of learning and knowledge". The Academy is in good standing with the Ohio Secretary of State.

The Academy is registered as a charitable organization with the Ohio Attorney General's Office as "an educational institution which maintains a regular faculty and curriculum and normally has a regular body of students in attendance where the educational activities are carried on". The Academy is in good standing with the Ohio Attorney General.

The Academy, now located on a 231-acre campus in Gahanna, Ohio 8 miles from downtown Columbus, is a co-educational college preparatory school for 3-year-olds through Grade 12 with an enrollment of 1,162. K-12 annual tuition is \$26,500 to \$32,200 for the 2022-2023 school year.

This referral alleges that the Academy has abused and violated its tax-exempt status in numerous ways, which are summarized below.

Alleged Violations:

**Officers Are Using Income/Assets for Personal Gain;
Officer Compensation and Conflicts of Interest Are Not
Properly Disclosed to the Academy's Entire Board of
Trustees and on Form 990**

(1) \$100,000 "Relocation Costs" Loan to Ms. Melissa Soderberg, Head of School

In October 2012, the Academy announced the hiring of Ms. Melissa Soderberg as Head of School effective for the school year 2013/14.

Ms. Soderberg previously served as Director of Upper School at Breck School, an independent school located in Golden Valley, Minnesota, a suburb of Minneapolis. Ms. Soderberg's compensation at Breck School was \$159,837 for calendar year 2010, \$163,032 for calendar year 2011 and \$168,762 for calendar year 2012. No compensation was reported by Breck School for Ms. Soderberg for calendar year 2013, suggesting she was not employed by the school as of January 1, 2013.

Sometime between October 2012 – the hire announcement date – and June 30, 2013 (the tax year-end of the school) Ms. Soderberg was loaned \$100,000 from the Academy for "relocation costs" from Minnesota to Ohio. The average price range to move from Minneapolis to Columbus, Ohio was \$4,208 - \$8,075 for a 4+ bedroom room in November 2022 according to movebudda.com.

MOVE SIZE	MOVING COMPANY	MOVING CONTAINER	RENTAL TRUCK
Studio / 1 Bedroom	\$1,211 - \$4,930	\$1,026 - \$2,039	\$864 - \$1,197
2 - 3 bedrooms	\$2,567 - \$8,163	\$1,917 - \$3,048	\$914 - \$1,411
4+ bedrooms	\$4,208 - \$8,075	\$2,545 - \$3,787	\$1,183 - \$1,667

The loan was not disclosed nor approved by the entire Board of Trustees; documentation of actual relocation costs incurred totaling \$100,000 was not disclosed to the entire Board of Trustees. The lack of supporting documentation suggests the loan was a disguised signing bonus.

The \$100,000 loan was falsely and deceptively classified as, and included in, "Accounts receivable, net" of \$222,501 on the Academy's 2012 Form 990, page 11, Part X Balance Sheet, Line 4, Column (B) for the tax year-ending June 30, 2013 (dated November 22, 2013):

Form 990 (2012)

Page **11****Part X Balance Sheet**Check if Schedule O contains a response to any question in this Part X ☐

	(A) Beginning of year		(B) End of year
1 Cash—non-interest-bearing	812,649	1	898,441
2 Savings and temporary cash investments	4,662,534	2	7,220,085
3 Pledges and grants receivable, net	4,618,377	3	6,836,219
4 Accounts receivable, net	83,356	4	222,501

The \$100,000 loan was also falsely and deceptively classified as, and included in, "Accounts Receivable, net" in the Academy's audited Financial Statements (dated October 1, 2013):

	2013	2012
ASSETS		
Cash	\$ 696,441	\$ 812,649
Accounts receivable, net of allowance for doubtful accounts of \$7,523 and \$22,458 at June 30, 2013 and 2012, respectively	222,501	83,356

On its 2012 Form 990, Page 4, Part IV Checklist of Required Schedules, Line 26 for the tax year ending June 30, 2013, the Academy answered "No" to a loan outstanding to a key employee as of the end of the organization's tax year.

26 Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II

26		No
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The following tax year ending June 30, 2014, Columbus Academy accounted for the \$100,000 loan on its 2013 Form 990 (dated January 16, 2015) by retroactively reclassifying from "Accounts receivable, net" and reporting the loan as of June 30, 2013 on Page 11, Part X Balance Sheet, Line 5 "Loans and other receivables from current . . . key employees . . .".

Form 990 (2013)

Page 11

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

	(A) Beginning of year		(B) End of year
1 Cash-non-interest-bearing	696,441	1	738,889
2 Savings and temporary cash investments	7,220,085	2	9,063,445
3 Pledges and grants receivable, net	6,838,219	3	7,741,983
4 Accounts receivable, net	122,501	4	98,011
5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	100,000	5	80,000

On its 2013 Form 990, Page 4, Part IV Checklist of Required Schedules, Line 26 for the tax year ending June 30, 2014, the Academy answered "Yes" to a loan outstanding to a key employee as of the end of the organization's tax year and completed Schedule L: Transactions with Interested Persons, Part II Loans to and/or from Interested Persons.

26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II

26	Yes	
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Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

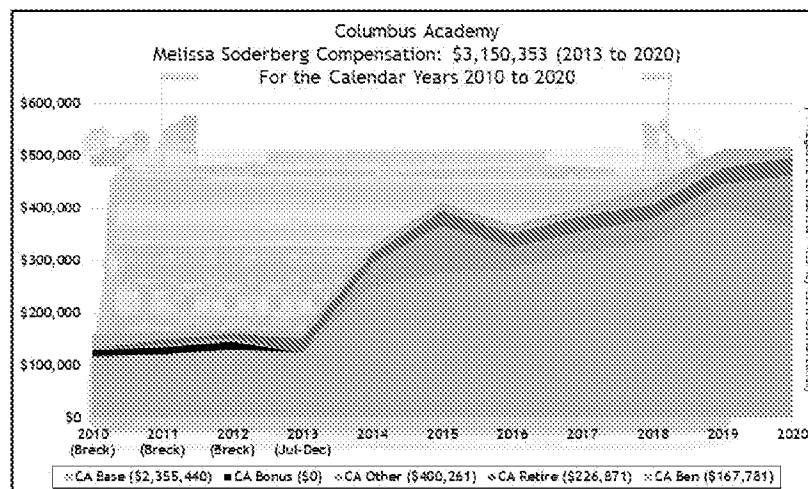
(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1) MS MELISSA SODERBERG	HEAD OF SCHOOL	TO COVER RELOCATION COSTS		X	100,000	85,000		No	Yes		Yes	

Contrary to the "Yes" answered on Schedule L, Part II, Columns (h) and (i), the loan or a written agreement was not disclosed nor approved by the entire Board of Trustees.

The loan was repaid in \$20,000 annual installments as reported on Schedule L during the tax years ending June 30, 2014, June 30, 2015, June 30, 2016, June 30, 2017 and June 30, 2018.

The \$20,000 annual loan installment repayments were funded by annual bonus payments to Ms. Soderberg and reported falsely and deceptively on Schedule J: Officers Directors, Trustees, Key Employees and Highest Compensation, Page 2, Part II, Column (B)(iii) as "Other reportable compensation" for the tax years ending June 30, 2014, June 30, 2015, June 30, 2016, June 30, 2017 and June 30, 2018.

No bonus payments were reported on Schedule J, Page 2, Part II, Column (B)(ii) "Bonus and incentive compensation" for the years in question as indicated in the chart below.



The \$20,000 annual bonus payments to fund the \$100,000 "relocation costs" loan repayment was not approved nor disclosed to the entire Board of Trustees. The Academy refused all parents' requests for loan documentation.

The repayment mechanism of the loan was a disguised, tax-deferred, five-year guaranteed bonus scheme for Ms. Soderberg's personal gain.

(2) \$250,000 "Educational Costs" Loan to Ms. Melissa Soderberg, Head of School

During the tax year ending June 30, 2018, Ms. Soderberg was loaned \$250,000 from the Academy for "educational costs".

0G422 - R7

On its 2017 Form 990, Page 4, Part IV Checklist of Required Schedules, Line 26 for the tax year ending June 30, 2018, the Academy answered "Yes" to a loan outstanding to a key employee as of the end of the organization's tax year and completed Schedule L: Transactions with Interested Persons, Part II Loans to and/or from Interested Persons.

- 26** Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons?
If "Yes," complete Schedule L, Part II

26	Yes	
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Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 33a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1) MS MELISSA SODERBERG	HEAD OF SCHOOL	TO COVER RELOCATION COSTS		X	100,000	0		No	Yes		Yes	
(2) MS MELISSA SODERBERG	HEAD OF SCHOOL	TO COVER EDUCATIONAL COSTS		X	250,000	250,000		No	Yes		Yes	
Total					\$	250,000						

Contrary to the "Yes" answered on Schedule L, Part II, Columns (h) and (i), the loan or a written agreement was not disclosed nor approved by the entire Board of Trustees. No repayments of the loan were made during the tax year ending June 30, 2018.

The loan was repaid in \$50,000 annual installments as reported on Schedule L during the tax years ending June 30, 2019, June 30, 2020 and June 30, 2021. Accordingly, a "Balance due" of \$100,000 was reported on the Balance Sheet and Schedule L for the tax year ending June 30, 2021.

Part IX Balance Sheet

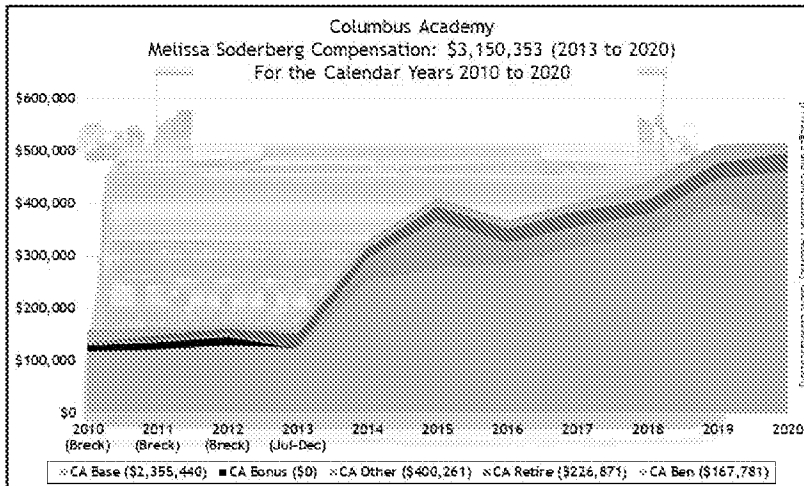
Check if Schedule O contains a response or note to any line in this Part IX ☐

	(A) Beginning of year		(B) End of year
1 Cash--non-interest-bearing	2,068,108	1	2,451,767
2 Savings and temporary cash investments	2,936,310	2	6,190,844
3 Pledges and grants receivable, net	3,499,159	3	2,687,802
4 Accounts receivable, net	168,596	4	704,396
5 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	150,000	5	100,000

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 36a, or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

Total	\$	100,000
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No bonus payments were reported on Schedule J, Page 2, Part II, Column (B)(ii) "Bonus and incentive compensation" for the years in question as indicated in the chart below. "Other reportable compensation" for Ms. Soderberg totaled \$400,261 for the calendar years 2013 to 2020.



The repayment mechanism of the loan was – and is -- a disguised, tax-deferred, five-year guaranteed bonus scheme for Ms. Soderberg's personal gain.

Although Ms. Soderberg served as Director of Upper School at Breck School in Minnesota prior to her employment by the Academy in October 2012, she had no experience as a Head of School. Her compensation at Breck in 2012 was \$168,762. Ms. Soderberg's first full-year compensation at Columbus Academy was \$329,761 for calendar year 2014, an increase of 95.4% from 2012.

6

0G422 - R9

apparently retained to mentor and monitor her transition through at least June 30, 2014, 12 months after his announced retirement date of June 30, 2013. The arrangement to retain Mr. Mackenzie was not known, disclosed or approved by the entire Board of Trustees.

For the tax year ending June 30, 2014, the Academy reported 2013 calendar year compensation of \$299,782 for Mr. Mackenzie on 2013 Form 990, Part VII – Column (D) Reportable compensation from the organization and “0.00” Average hours per week in Column (B):

Form 990, Part VII – Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Individual trustee or director	Officer	Highest compensated employee	Former				
MS NELOSSA SCHERBERG	40.00				X			125,136	0	38,515
HEAD OF SCHOOL										
MR DOUG BENNETT	40.00				X			117,620	0	19,814
DIRECTOR FACILITIES										
MR ERICH HUNKER	40.00				X			152,266	0	30,331
DIR OF DEVELOPMENT & ASST										
MRS KARLA LONG	40.00				X			118,205	0	26,526
MIDDLE SCHOOL HEAD										
MS CONNINA SZOKATIS	40.00				X			116,588	0	20,426
UPPER SCHOOL HEAD										
MR JOHN MACKENZIE	0.00					X		299,782	0	0
FORMER HEAD OF SCHOOL										

For the tax year ending June 30, 2015, the Academy reported 2014 calendar year compensation of \$180,186 for Mr. Mackenzie on 2015 Form 990, Part VII – Column (D) Reportable compensation from the organization and “1.00” Average hours per week in Column (B):

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(26) MRS MARGARET KOERNER CHIEF FINANCIAL OFFICER	40.00			X				154,374	0	32,272
(1) MS MELISSA SODERBERG HEAD OF SCHOOL	40.00				X			294,845	0	34,955
(2) MR DOUG BENNETT DIRECTOR FACILITIES	90.00					X		126,975	0	19,801
(3) MR ERICH HUNKER DIR OF DEVELOPMENT & ASS	40.00					X		157,365	0	31,814
(4) MRS KARLA LONG MIDDLE SCHOOL HEAD	40.00					X		121,652	0	21,726
(5) MS CORINNA ZOKATIS UPPER SCHOOL HEAD	40.00					X		136,512	0	21,638
(6) MS KAY MASON LOWER SCHOOL HEAD	40.00					X		138,762	0	27,601
(7) MR JOHN MACKENZIE FORMER HEAD OF SCHOOL	1.00						X	190,166	0	0

The undisclosed retention of Mr. Mackenzie for the 2013-2014 school year – with Ms. Soderberg effectively functioning as an Assistant Head of School at above-market Head of School compensation -- was a “safety net” and “insurance policy” for the personal gain of Ms. Soderberg.

(4) False and Deceptive Underreporting of Current Officers, Directors, Trustees and Key Employees Compensation

The Academy is required to report compensation of current officers, directors, trustees and key employees based on the accounting method (accrual basis) and tax year (June 30) used by the organization on Form 990, Page 10, Part IX, Line 5.

Form 990 (2021)

Page **10**

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program services expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 18				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				

The 2021 Instructions for Form 990 requires the organization to report “total compensation paid to current officers, directors, trustees and key employees for the organization’s tax year (June).

domestic governments, United Way and similar federated fundraising organizations should report grants to member or participating agencies on line 1. Organizations must report

Line 5. Enter the total compensation paid to current **officers, directors, trustees, and key employees** (as defined in Part VII) for the organization's **tax year**. Compensation includes all forms of income and other benefits earned or received from the

Allocating Indirect Expenses—Example

Line	(A)	(B)	(C)	(D)
5-24a	\$150,000	-	\$150,000	-
24b Allocation of \$150,000 indirect cost center expenses reported in (C)	(5,000)	75,000	(85,000)	10,000
25	\$145,000	\$75,000	\$65,000	\$10,000

filing organization, common paymasters, and payroll/reporting agents in return for services rendered to the filing organization, including compensation reported on Forms W-2 and 1099, pension plan contributions and accruals, and other employee benefits, but doesn't include non-compensatory expense reimbursements or allowances. Report all compensation amounts relating to such an individual, including those related to services performed in a capacity other than as an officer, director, trustee, or key employee.

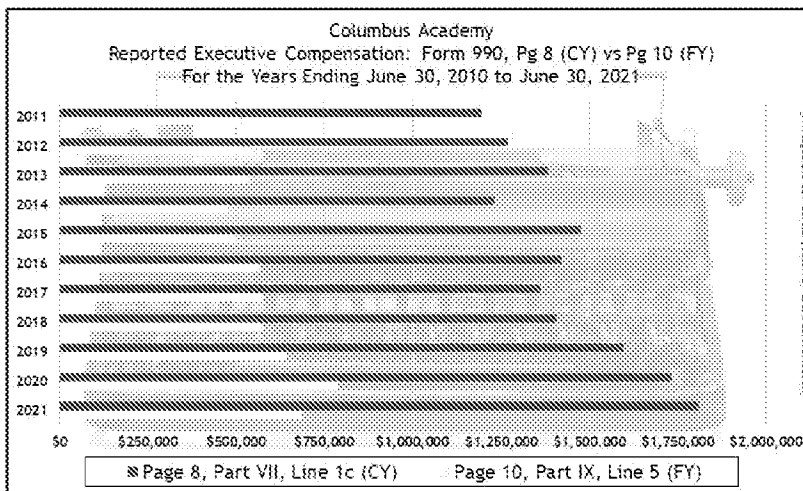
TIP Compensation for Part IX is reported based on the accounting method and **tax year** used by the organization, rather than the definitions and calendar year used to complete Part VII or Schedule J (Form 990) regarding compensation of certain **officers, directors, trustees, and other employees**.

employer's share of social security and Medicare taxes, the federal unemployment tax (FUTA), state unemployment compensation taxes, and other state and local payroll taxes. Don't include on line 10 taxes withheld from employees' salaries and paid to various governmental units such as federal, state, and local income taxes and the employees' shares of social security and Medicare taxes. Such withheld amounts are reported as compensation.

Line 11. Fees for services paid to nonemployees (independent contractors). Enter on lines 11a through 11g amounts for services provided by **independent contractors** for management, legal, accounting, lobbying, **professional fundraising services**, investment management, and other services, respectively. Include amounts whether or not a Form 1099 was issued to the **independent contractor**. Don't include

As indicated in the chart below, the Academy has consistently and deliberately underreported executive and other qualifying compensation on Page 10, Part IX, Line 5 (yellow bar) by more than 50% compared to executive and other qualifying compensation reported on Page 8, Part VII, Line 1c (black bar).

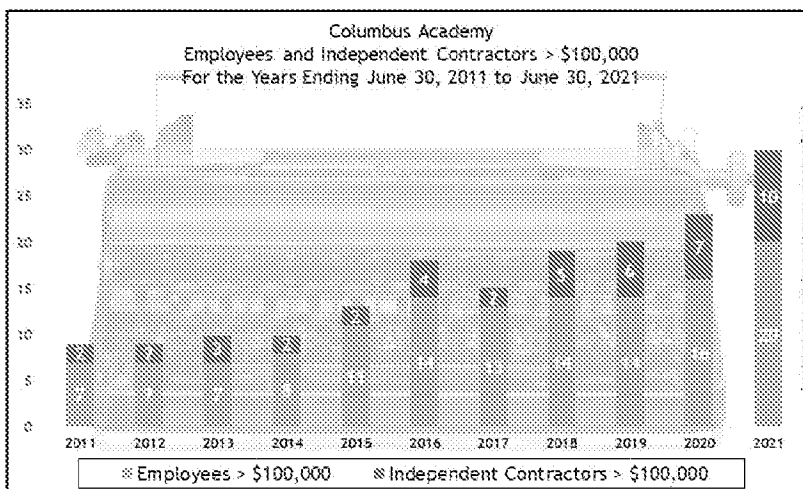
The calendar year reporting requirement for Part VII (see TIP above) versus the tax year reporting requirement for part IX – i.e., timing differences -- does not account for the consistent and material differences in compensation.



(5) Total Number of Employees and Independent Contractors Who Received More Than \$100,000 in Compensation Tripled Since 2013

For the tax year ending June 30, 2013, the Academy reported 7 employees and 3 independent contractors who received more than \$100,000.

Under Ms. Soderberg, the number of employees and independent contractors who received more than \$100,000 has grown exponentially to 20 and 10, respectively, for the tax year ending June 30, 2021, as illustrated below.



In addition to her responsibilities as Head of School, Ms. Soderberg is the Academy's de facto Director of Human Resources. This unusual dual responsibility creates an inherent risk of personal and political nepotism and favoritism potentially undermining the Academy's not-for-profit mission and safeguarding of assets.

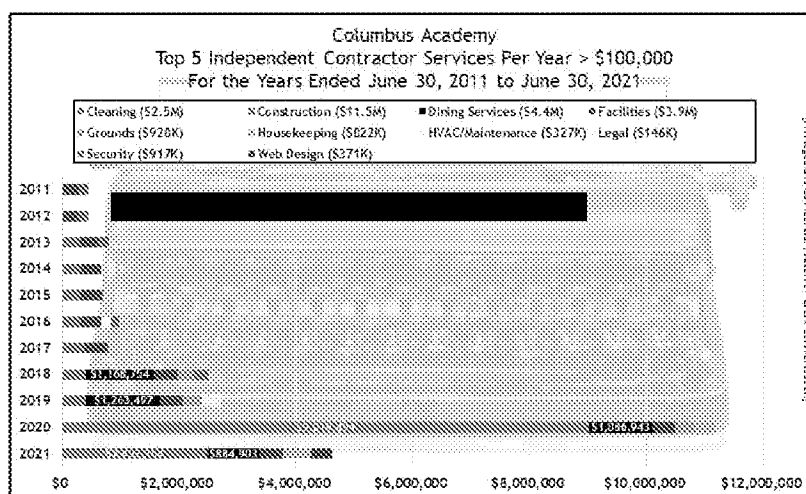
The Academy is required to report the five highest compensated independent contractors that received more than \$100,000 in compensation for services, whether professional or other services, from the organization on Form 990, Page 8, Section B: Column (A) Name and business address, Column (B) Description of services and Column (C) Compensation.

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶		

The Top 5 independent contractors by Column (B) Description of services reported by the Academy for the tax years ending June 30, 2011 to June 30, 2021 is presented below:



Although the Academy reported over \$20 million in building and improvement investments between 2015 and 2019, no "construction" service payments were reported during these tax years.

The general contractor for the Academy's 100-year campus expansion campaign commencing in 2015 was Continental Building Services, a registered Trade Name of Continental Real Estate Companies of Columbus, Ohio.

Form 523A Prescribed by:

Date Electronically Filed: 4/18/2019

OFFICE OF THE
 Ohio Secretary of State



Toll Free: (877) SOS-FILE (877-767-3453) | Central Ohio: (614) 466-3910

www.OhioSecretaryofState.gov | Busserve@OhioSecretaryofState.gov

File online or for more information: www.OHBusinessCentral.com

Renewal of Trade Name or Fictitious Name Registration

Filing Fee: \$25

Form Must Be Typed

(CHECK ONLY ONE (1) BOX)

☒ Renewal of Trade Name (172-RNR)

Reg. No. 2306803

☐ Renewal of Fictitious Name (159-NFR)

Reg. No.

Trade Name or Fictitious Name to be Renewed

CONTINENTAL BUILDING SYSTEMS

Name of Registrant Renewing Name

CONTINENTAL REAL ESTATE COMPANIES

Registrant's Entity Number (if registered with Ohio Secretary of State): 630170

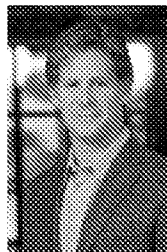
The Academy's current President and Trustee, Jonathan Kass, is President of Development at Continental Real Estate Companies. (Source: <https://www.continental-realestate.com/about/>)



Development Partners



David Kass
 President,
 Continental Real
 Estate Cos.



Jonathan Kass
 President of
 Development,
 Continental Real
 Estate Cos.



Rick Kirk
 President & CEO,
 Hallmark
 Campus
 Communities



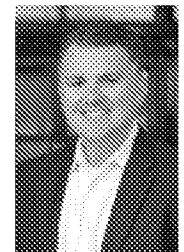
Karl Schneider
 President,
 Continental
 Senior
 Communities



Adam Valente
 President,
 Continental
 Hospitality Group



Adam Glare
 Vice President,
 Continental
 Hospitality Group



Jim Clark
 Executive Vice
 President of
 Industrial
 Development,
 Continental Real
 Estate Cos.

Mr. Kass was listed as "Trustee" for tax years June 2015 and June 2016, "Secretary/Trustee" for tax

0G422 - R15

year 2017, "Vice President/Trustee" for tax years June 2018 and June 2019, and "President/Trustee" for tax year June 2020 and June 2021.

See Alleged Violation (9) for additional information and Form 990 reporting discrepancies regarding the \$37.8 million, no-bid construction project awarded to Continental Building Services.

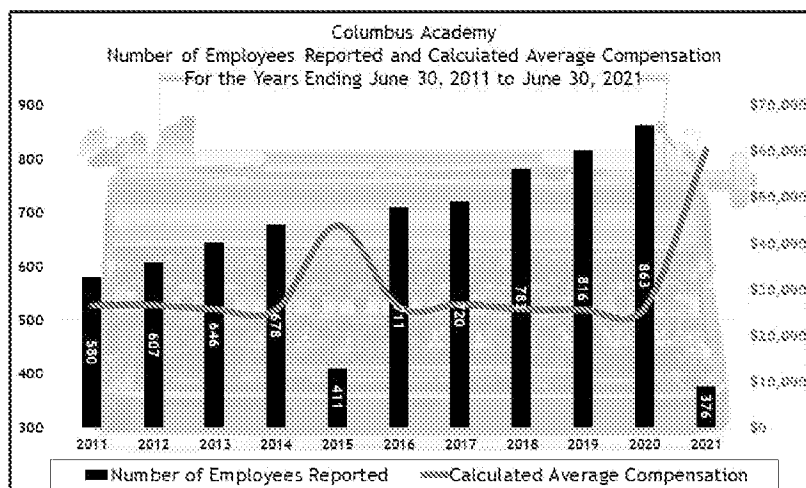
As indicated in the Top 5 Independent Contractor Services chart above, the Academy reported \$146,058 in "Legal" services paid to law firm Vorys Sater Seymour & Pease (VSSP) for the tax year ending June 30, 2016:

VORYS SATER SEYMOUR & PEADE	LEGAL	146,058
PO BOX 73467		
CLEVELAND, OH 44103		

Although several VSSP employees served on the Academy's Board of Trustees, this information was not disclosed on Form 990, Schedule L, Page 2, Part IV: Business Transactions Involving Interested Persons.

(6) The Academy Grossly Understated the Number of Individuals Employed by the Organization

For unknown reasons, the Academy falsely and deceptively understated the number of individuals employed by the organization for the tax years ending June 30, 2015 and June 30, 2021.



The number of employees reported by the Academy for the tax year ending June 30, 2013 was 646. Student enrollment for the 2012-2013 school year was 1,079.

Ms. Soderberg assumed Head of School and de facto Director of Human responsibilities effective July 1, 2013. As indicated in the chart above, the number of employees reported increased to 863 for the tax year ending June 30, 2020, an increase of 217 employees (+33.6%).

The student enrollment for the 2019-2020 school year was 1,149, an increase of 70 students from the 2012-2013 school year (+6.5%). For the school years 2013-2014 through 2019-2020 under Ms. Soderberg, 3.1 employees were hired for every 1 new student enrolled at the Academy: 217 additional employees divided by 70 additional students = 3.1 ratio.

Furthermore, the number of independent contractors reported by the Academy more than doubled from 53 for the tax year ending June 30, 2013 to 109 for the tax year ending June 30, 2020.

Ms. Soderberg refused numerous requests from parents to provide a full and complete list of employees and independent contractors, job descriptions and compensation, as well as a rationale for hiring 3.1 employees and 0.8 independent contractors for every new student enrolled.

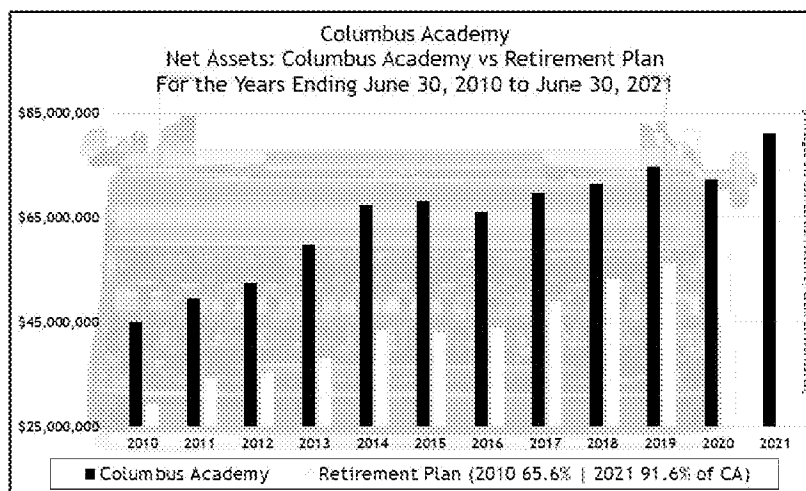
As stated previously, Ms. Soderberg's unusual dual responsibility as Head of School and de facto Director of Human Resources creates an inherent risk of personal and political nepotism, illegal hiring discrimination and ghost employee fraud, potentially undermining the Academy's not-for-profit mission and safeguarding of assets.

(7) The Value of the Employee Retirement Plan Will Soon Exceed the Value of Columbus Academy

The Columbus Academy Defined Contribution Retirement Plan was formed in 1967, with plan benefits increasing substantially with employee seniority and age. Historically, employees were eligible to participate in the Retirement Plan upon completion of one year of continuous employment.

The Net Assets of the Retirement Plan were \$74.3 million, or **91.6%** of the Net Assets of the Academy of \$81.1 million as of June 30, 2021. Retirement plan information is public information available through the U.S. Department of Labor.

As indicated in the chart below, the Net Assets of the Retirement Plan for the year ending June 30, 2010 was \$29.5 million, or **65.6%** of the Academy's Net Assets of \$44.9 million. The Net Assets of the Retirement Plan were **57.2%** of the Academy's Net Assets as of June 30, 2013, Mr. Mackenzie's final year as Head of School.



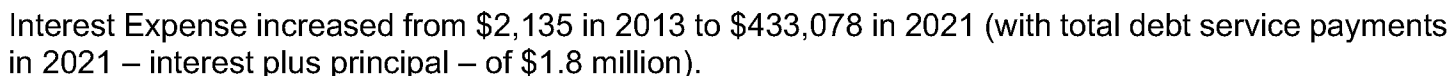
For the plan year ending June 30, 2017, the Retirement Plan agreement was amended to grant the Head of School unprecedented, discretionary authority as follows:

"The one year of service requirement can be waived by the Head of School for an employee whose employment with a prior employer is similar to their employment with the Academy."

The number of active participants in the Retirement Plan for the preceding plan year ending June 30, 2016 increased from 278 to 381, an increase of 103 active participants (+37.1%), suggesting the waiving of the one year of service requirement was implemented for the plan year ending June 30, 2016, but not disclosed in the audit report until the subsequent year.

Under Ms. Soderberg, the Retirement Plan increased in value by 94.7% as of June 30, 2021 -- \$36.2 million – nearly three times the percentage increase in value of the Academy over the same eight-year period. As a Plan participant, Ms. Soderberg benefits personally from any increases in the Retirement Plan value.

The \$7.4 million swing from profit, illustrated below, was primarily driven by a 29.2% *decrease* in Contributions and Grants and a 74.5% *increase* in Other Expenses.

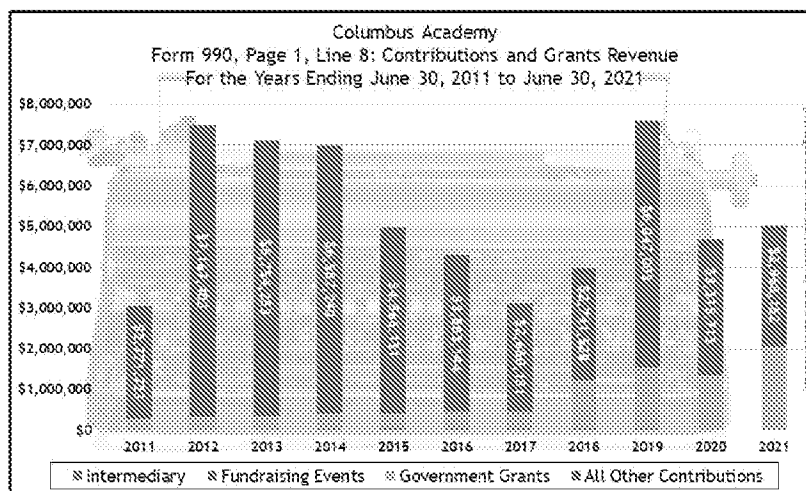


15

0G422 - R18

provided, to students during school year 2020-2021, e.g., learning disability services, food services, student trips, speakers and other educational programs.

The chart below illustrates the decrease, apart from 2019, of Grants and Contributions under Ms. Soderberg's leadership and the increasing and intentional reliance on government grants in pursuit of undisclosed political objectives:



"All Other Contributions" in the chart above include grants paid to Columbus Academy by the Parents' Association of Columbus Academy ("PACA"), a 501(c)3 Association formed in 1973 to provide educational grants and contributions to Columbus Academy:

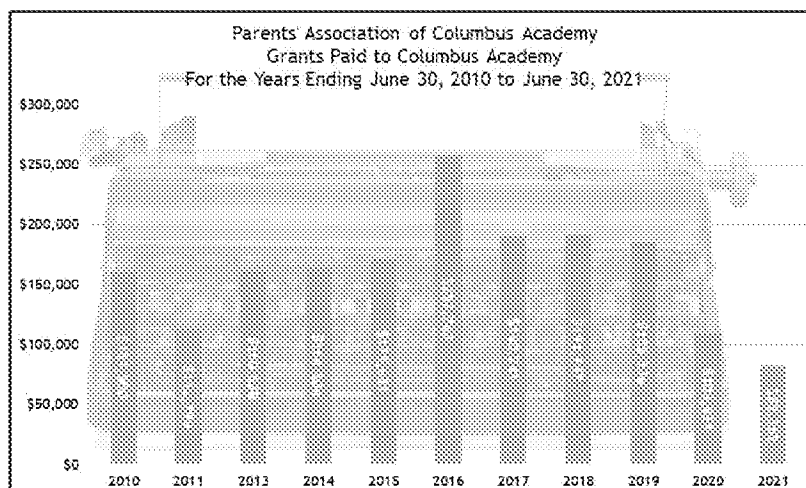
Form 990 (2019)

Page 2

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒**1** Briefly describe the organization's mission:

THE PURPOSE OF THIS ASSOCIATION IS TO SPONSOR ACTIVITIES THAT ENHANCE THE QUALITY OF SCHOOL LIFE BY SUPPORTING THE FACULTY, STUDENTS, TRUSTEES AND ADMINISTRATION OF THE COLUMBUS ACADEMY IN THE FOLLOWING WAYS: 1. RAISE FUNDS AND PROVIDE GRANTS TO SCHOOL PROGRAMS; 2. ORGANIZE AND DEPLOY PARENT VOLUNTEER RESOURCES FOR SCHOOL PROGRAMS AND ACTIVITIES; 3. ENHANCE COMMUNICATION BETWEEN PARENTS AND THE SCHOOL; AND 4. OTHER ACTIVITIES AS DETERMINED BY THE PACA BOARD OF DIRECTORS.

For the tax years ending June 2010 through June 2021, PACA paid the Academy \$1.8 million in grants as illustrated below:



On numerous occasions, PACA refused requests by parents for transparency regarding the spending

0G422 - R19

of contributions and fund-raising activities ostensibly earmarked for educational initiatives and sports equipment.

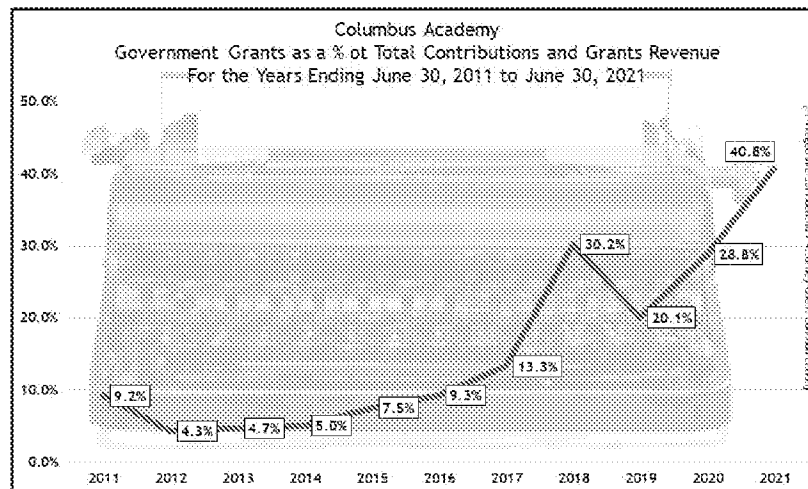
Columbus Academy is identified as a related, tax-exempt organization on PACA's Form 990, Schedule R. Part II . . .

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.						
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?
						Yes No
1) THE COLUMBUS ACADEMY 4360 CHERRY BOTTOM ROAD GAHANNA, OH 43230 31-4378445	SCHOOL	OH	501(c)(3)	2	N/A	

. . . but not identified and disclosed as a related, tax-exempt organization on the Academy's Form 990.

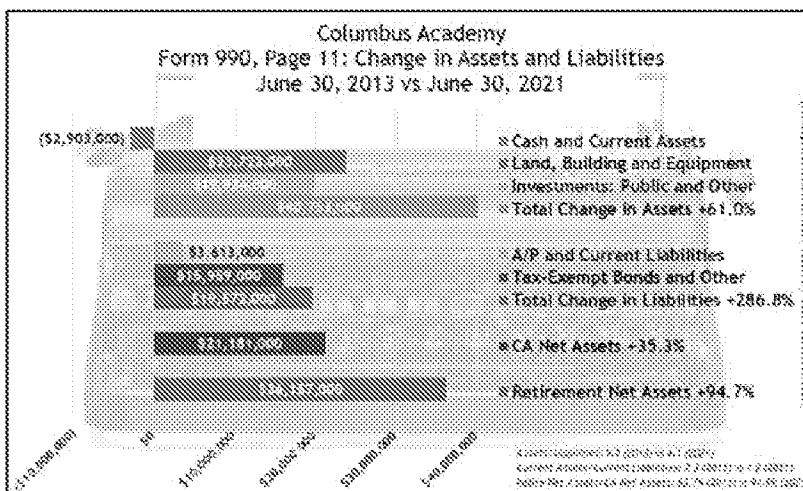
Melissa Kass, wife of Columbus Academy President Jonathan Kass (see Section (9) below) is listed as Co-President, Trustee and Officer of PACA.

Under Ms. Soderberg's leadership and openly hostile political agenda, Government Grants increased to 40.8% of total Contributions and Grants in 2021 versus 4.7% in 2013:



The chart below shows the Academy's change in Assets and Liabilities June 30, 2013 versus June 30, 2021. Although Assets increased 61.0%, driven primarily by \$37.8 million in construction projects (see Section (9) below), Liabilities increased 286.8% due to tax exempt bonds issued to finance a portion of the construction projects.

The Academy's Net Assets increased \$21.2 million, (35.3%) over the 8-year period while the Retirement Plan Net Assets increased \$36.2 million (94.7%).



Pursuant to the January 15, 2015 Board of Trustees Meeting (excerpt below), Ms. Soderberg was authorized to act on behalf of the Academy in connection with any accounts held in its name:

3. BE IT RESOLVED that the following officers of The Columbus Academy are authorized to act on its behalf in connection with any accounts held in its name: Melissa Soderberg as Head of School, Erich Hunker as Assistant Head of School for Development and External Relations, Margaret Koerner as Chief Financial Officer, or Karen Slabe as Controller. The named individuals are authorized to give oral, written, or online instructions for the purchase, sale, exchange, or transfer of any securities held in such accounts, and to execute any necessary forms in connection with such transactions. The authority of the named individuals to act on behalf of The Columbus Academy shall remain in full force and effect until written revocation by a secretary or officer of The Columbus Academy is delivered. Two signatures are required on transaction requests.

As recommended by the Finance and Audit Committee of the Board of Trustees

The Academy reported an "Interest Rate Swap" liability of \$830,442 on Form 990, Schedule D, Page 3, Part X: Other Liabilities.

Part X Other Liabilities.	
Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.	
1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) CUSTODIAN DEPOSITS	85,050
(3) INTEREST RATE SWAP	830,443
(4) OBLIGATION UNDER CAPITAL LEASE	18,224

An interest rate swap is a complex financial instrument – arguably not suitable for a non-profit investment portfolio -- used to mitigate interest rate risk. One accounting firm suggests visiting a "local toy store to purchase the Magic 8 Ball" to ascertain risks associated with interest rate swap investments.



(9) \$37.8 Million in No-Bid Construction Project Contracts Awarded to President's Family-Owned Construction Firm Continental Building Systems

Jonathan Kass (Columbus Academy Class of 1984), Trustee (since 2013), Officer (since 2017) and President (since 2020) is currently President of Development at Continental Real Estate Companies, a company affiliated with Continental Building Systems (see **Alleged Violation (5)**).

Mr. Kass served as President of Continental Real Estate Companies for "approximately 16 years". Mr. Kass's father is one of the founding partners of the company.

Between tax years 2015 and 2021, Columbus Academy awarded \$37.8 million in no-bid construction projects to Continental Building Systems disclosed on Form 990, Schedule L: Business Transactions Involving Interested Persons (Jonathan Kass Form 990, Page 7, Part VII Disclosures)

• 2015	\$15,249,845	(Title: Trustee Hrs/Week 6.0 Compensation \$0)
• 2016	\$10,670,169	(Title: Trustee Hrs/Week 6.0 Compensation \$0)
• 2019	\$364,750	(Title: V.P., Trustee & Officer Hrs/Week 6.0 Comp \$0)
• 2020	\$9,019,494	(Title: Pres., Trustee & Officer Hrs/Week 6.0 Comp \$0)
• 2021	\$2,492,354	(Title: Pres., Trustee & Officer Hrs/Week 6.0 Comp \$0)

Mr. Kass's past or present, direct or indirect ownership and profit percentage of Continental Building Systems and Continental Real Estate Companies is not known. The construction industry benchmark for profits is 8% to 15%, suggesting profits earned on the contracts between \$3,024,000 and \$5,670,000.

Form 990, Page 4, Part IV Checklist of Required Schedules, Line 28 (a), (b) and (c) requires Columbus Academy to disclose certain direct and indirect business transactions between the Academy and governance and management officials or their associated businesses or family members

- 28** Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):
- a** A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? *If "Yes," complete Schedule L, Part IV*
 - b** A family member of any individual described in line 28a? *If "Yes," complete Schedule L, Part IV*
 - c** A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? *If "Yes," complete Schedule L, Part IV*

For the 5 years noted above – 2015, 2016, 2019, 2020 and 2021 -- Columbus Academy answered Lines 28 (a) Officer and/or Trustee (b) Family Member and (c) Controlled Entity as follows (false or misleading responses noted in red):

- Line 28 (a) Officer and/or Trustee: 2015, 2019, 2020 No | 2016, 2021 Yes

0G422 - R22

- Line 28 (b) Family Member: 2015, 2016 No | 2019, 2020, 2021 Yes
- Line 28 (c) Controlled Entity: 2019, 2020, 2021 No | 2015, 2016 Yes

Prior to tax year 2019 – Jonathan Kass’s first year as President, Trustee and Officer – the Academy failed to disclose any Construction Contractor Services payments on Form 990, Page 8, Part VII, Section B: Independent Contractors.

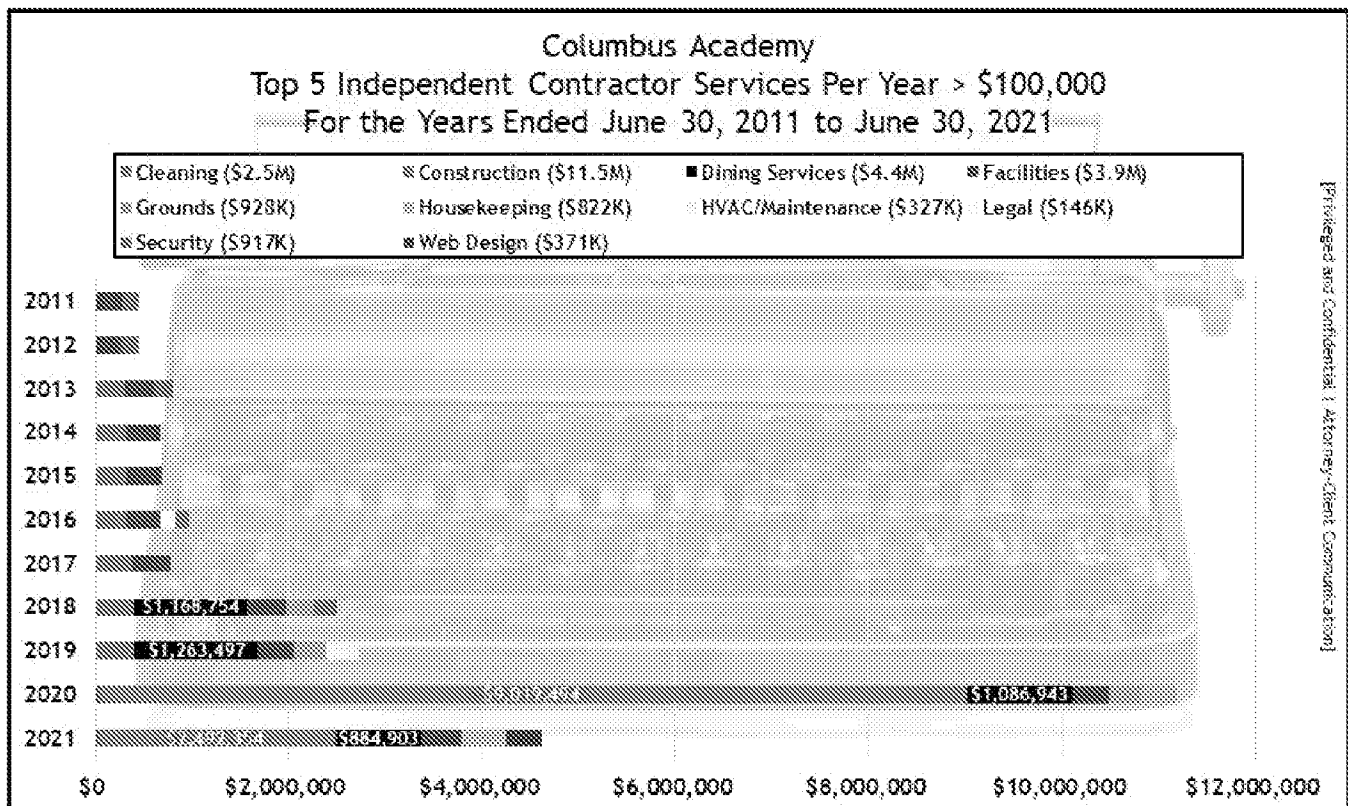
Section B. Independent Contractors

- 1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►		

Form 990 (2021)

As indicated in the chart below, no Construction Contractor Services payments were reported for tax years 2015 -- \$15.2 million in construction contracts awarded to Continental Building Systems, 2016 -- \$10.7 million in construction contracts awarded to Continental Building Systems, and 2019 -- \$364,750 in construction contracts awarded to Continental Building Systems) and 2019:



The \$37.8 million in no-bid construction contracts awarded by Columbus Academy to Continental Building Systems, and related false and deceptive disclosures on Form 990, benefited Mr. Kass personally and was a flagrant violation of his fiduciary responsibilities as Officer and Trustee.

Conclusion

In summary, we believe the IRS should investigate the aforementioned violations alleged in the above letter, including:

1. The Academy's failure to properly disclose on Form 990, Schedule J and Schedule L-- nor properly disclose to the entire Board of Trustees -- at least \$350,000 in tax-deferred bonuses paid to the Head of School disguised as "relocation" and "educational" loans. **Alleged Violations (1) and (2)**
2. The Academy's failure to properly disclose on Form 990 -- nor properly disclose to the entire Board of Trustees -- the retention of the former Head of School. **Alleged Violation (3)**
3. The Academy's false and deceptive underreporting on Form 990 of current Officers, Directors, Trustees and Key Employees compensation. **Alleged Violation (4)**
4. The Academy's failure to properly disclose on Form 990 (prior to tax year 2019) multi-million-dollar construction-related independent contractor payments to the current President's family-owned construction business. **Alleged Violation (5)**
5. The Academy's failure to properly disclose on Form 990 the correct number of employees and a wasting of non-profit assets in violation of Section 501(c)(3) with respect to the hiring of 3.1 employees for every new student enrolled. **Alleged Violation (6)**
6. The Academy's wasting of non-profit assets in violation of Section 501(c)(3) as evidenced by the waiving of the one year service requirement for Retirement Plan eligibility and 94.7% increase in the value of the Academy's Retirement Plan under the current Head of School. **Alleged Violation (7)**
7. The Academy's wasting of non-profit assets in violation of Section 501(c)(3) due to gross financial management incompetence and a breach of fiduciary responsibilities. **Alleged Violation (8)**
8. The Academy's failure to properly disclose on Form 990 -- nor properly disclose to the entire Board of Trustees -- \$37.8 million in no-bid construction contracts awarded to the current President's family-owned construction business. **Alleged Violation (9)**
9. The Academy's multiple failures to file a complete and accurate Form 990 with the IRS and to provide a copy of its Audited Financial Statements in response to numerous requests.

Sincerely,

Andrea Gross and Amy Gonzalez
Pro CA Coalition | ProCACoalition@gmail.com